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# Daily Report

# Latin America

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*FBIS-LAT-91-040* *28 February 1991*

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## Cuba

### Havana Notes Call for Replacement of Gorbachev

*PA2702155891 Havana International Service in Spanish 1407 GMT 27 Feb 91*

[Text] The Democratic Russia Movement, among whose founding members is Boris Yeltsin, president of the Russian parliament, has circulated a document at the Presidium of the Supreme Soviet calling for the replacement of Mikhail Gorbachev as the country's leader. The document states that the idea of a coalition with the USSR president is unacceptable, and recommends the establishment of separate finances with the cooperation of private businesses. The call to active opposition followed statements by Gorbachev acknowledging definite differences of opinion with Yeltsin, and the USSR leader's reaffirmation of the socialist nature of his government.

### Alarcon on UN 'Inability' in Gulf Withdrawal

*FL2702145091 Havana Tele Rebelde Network in Spanish 1100 GMT 27 Feb 91*

[Text] Ricardo Alarcon de Quesada, the Cuban ambassador to the United Nations, has stated that the UN Security Council did not take advantage of a historic opportunity to achieve a peaceful solution to the Gulf war.

Alarcon said there is no justification for the Security Council's inability to adopt practical measures that will help the withdrawal of Iraqi forces from Kuwait.

He added: The UN Security Council is obliged to implement Resolution 660, not a withdrawal that will result in the massacre of Iraqi people because of the lack of UN supervisition and in continuous attacks.

### Publications To Further Reduce in Size, Frequency

*FL2802032491 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 28 Feb 91*

[Text] It has become necessary to reduce again the number of national and regional newspapers published because, to this date, it has been impossible to secure contracts with the appropriate enterprises to obtain the 1991 supply of gazette paper imported from the Soviet Union. This will also require changes in the publication schedule.

Beginning on 1 March, GRANMA will be published from Tuesday to Saturday, JUVENTUD REBELDE will continue to be published on Sundays, and TRABAJADORES will be published on Mondays.

All publications will experience a noticeable reduction in volume. Regional newspapers, which have experienced more than a 60-percent reduction in paper availability, will announce the different schedules to be implemented in their respective areas. The current publication of BOHEMIA magazine will be reduced by 20 percent.

### Minister at Sugar Work Group Meeting in Beijing

*FL2702161291 Havana Tele Rebelde Network in Spanish 1459 GMT 27 Feb 91*

[Text] The meeting of the Sino-Cuban Sugar Cooperation Work Group opened today in Beijing. The two groups are headed by Raul Trujillo, Cuban sugar industry first vice minister; and by Zeng Xianlin, PRC light industry minister.

The PRC minister has commented on the importance that the PRC Light Industry Ministry attributes to Cuban cooperation in the sugar cooperative sector. He also mentioned the vast potential that the two countries have to develop the sugar industry and sugar agriculture.

During this meeting, which will be held until 1 March, the two sides will discuss areas of cooperation, including sugar by-products. When the meeting ends, the group will travel to the island of Hainan, located on the southern coast of the PRC. This is a tropical region, the center of the newest PRC development program.

### Zairian International Cooperation Minister Visits

*FL2702234091 Havana Radio Reloj Network in Spanish 2036 GMT 27 Feb 91*

[Text] (Doza Mumwu Tenate), secretary of state for international cooperation of the Republic of Zaire, has arrived in our country to conduct talks with Cuban officials. He is in Cuba to attend meetings to create, through a governmental agreement, a joint commission for technical-scientific cooperation between Cuba and Zaire and to discuss other economical, scientific, and cultural affairs.

The talks that started today are presided over by Noemi Benitez, vice president of the State Committee for Economic Cooperation, CECE; Emilio Perez, director of the Sub-Saharan African Department; and Osvaldo (Parla), specialist of the CECE's Sub-Saharan African Department. Simba Ndombe, Zaire's ambassador to Cuba, and (Kasinga Mcoco), the embassy's first secretary, are also attending the talks.

### Former Canadian Prime Minister Meets Rodriguez

*FL2602134591 Havana Tele Rebelde Network in Spanish 1200 GMT 26 Feb 91*

[Text] Former Canadian Prime Minister Pierre Trudeau is visiting Cuba with his son Michel, and Dr. (Joseph Macinis). Trudeau and his entourage have toured ExpoCuba and the historic center of Havana City, and have held meetings with a group of Cuban painters and artists.

On 25 February, Trudeau held a meeting with Carlos Rafael Rodriguez, vice president of the Council of State

and of the Council of Ministers; and Jose Ramon Fernandez, vice president of the Council of Ministers.

### Medical Accord Signed With Caracas Hospital

*FL2602031991 Havana Radio Reloj Network in Spanish 2036 GMT 25 Feb 91*

[Text] Cuba's Frank Pais Hospital and Caracas' University Hospital in Venezuela have signed an accord to start an exchange of therapy nurses, specialists, and technicians in the near future. The agreement also includes cooperation in the development of orthopedic materials, prostheses, and implants as well as publications and bibliographies. Professor Rodrigo Alvarez Cambras, director of the Frank Pais Hospital, conducted a conference on the development of this specialty in Cuba and toured the trauma center at the Caracas' University Hospital. Professor Alvarez also conducted a five-day course at the Children's Orthopedic Hospital in Caracas, plus five surgeries and numerous patient consultations.

### Cayman Island Air Travel Resumed After 30 Years

*FL2602165691 Bridgetown CANA in English 1624 GMT 26 Feb 91*

[Text] George Town, Cayman Islands, Feb 26, CANA—Air travel between Cuba and the Cayman Islands resumed after a more than 30-year absence Monday, when a Soviet-built Yak-40 passenger jet aircraft from the Cuban duty-free resort island of Cayo Largo touched down at Owen Roberts Airport.

The 30-passenger Aero Caribbean jet was part of the inaugural charter flight between Grand Cayman and Cuba. The charters are organised by Caymanian businessman Rollin Jackson who said he will run the service between the two locations over most three-day holiday periods.

While the initial flight only carried visitors from the Cayman Islands, future charters will bring tourists from Cayo Largo to Grand Cayman in the morning and return with Caymanian visitors. The flights will be repeated in the evening.

Over a three-day holiday period, Jackson said the flights would run each day, allowing tourists to spend a few nights at each destination. Jackson said in the future tourists from Grand Cayman will be able to fly on to Havana from Cayo Largo for an overnight stay.

But Jackson said he won't be able to take any U.S. citizens on the flights. U.S. travel regulations prohibit Americans from going to Cuba as tourists, even though Cayo Largo is a duty-free port and has no customs, immigration, or visa requirements. Americans may only visit Cuba if invited by the Cuban Government, or as accredited journalists, Jackson said.

## Inter-Caribbean Affairs

### Caricom Leaders Attend 'Informal Summit' 26 Feb

*FL2602133091 Bridgetown CANA in English 1239 GMT 26 Feb 91*

[Text] Port of Spain, Trinidad, Feb 26, CANA—The likely impact of the Gulf war on the economies of the Caribbean is expected to feature prominently in discussions at a one-day informal summit of Caribbean Community (Caricom) heads of government here Tuesday.

With the exception of Montserrat's chief Minister John Osborne, Grenada's Prime Minister Nicholas Brathwaite, and Antigua and Barbuda's Prime Minister Vere Bird, Sr., officials here said they expected all the other leaders to attend.

Also on the agenda for the meeting is the establishment of a Caricom security regime, a Caricom emergency disaster response agency, a review of the latest developments related to South Africa, and Caricom relations with the Rio Group of Latin American nations seeking to promote economic integration and wide-ranging cooperation.

The leaders are also expected to head their national delegations to the opening Wednesday of a three-day regional economic conference here which seeks to come up with a collective strategy for placing Caricom states on a "stable and sustained" path of economic growth.

### Regional Issues, War Featured

*FL2602195091 Bridgetown CANA in English 1802 GMT 26 Feb 91*

[By Paget Defreitas]

[Text] Port of Spain, Trinidad, Feb 26, CANA—Caribbean Community (Caricom) leaders began an informal one-day summit here Tuesday with a lengthy agenda ranging from the working of regional institutions to the war in the Persian Gulf.

The summit is taking place ahead of the start Wednesday of a three-day economic conference on the Caribbean, aimed at developing a blueprint for regional development into the next century. Appropriately, the major agenda item for the community's 13 leaders is a review of a report on the Community's institutions by a commission headed by Jamaican professor of government Gladstone Mills.

The agenda, however, has become heavy with a number of other significant regional issues—a fact remarked on by Jamaica's prime minister and current Caricom chairman Michael Manley.

Of specific importance to Manley is the Gulf war and its deleterious effects on regional economies, including the rising oil bills of most of the territories, declining tourist arrivals, and escalating costs for imported raw materials.

Manley told a closed-door opening session that the Gulf war was "an essential issue that has to be dealt with with dispatch."

However, the war, Suriname's future relations with Caricom in the wake of last December's Army coup, and Guyana's political situation are to be discussed in caucus, indicating the sensitive nature of these subjects and the difference in views held by Caricom governments.

Manley had suggested that Suriname could lose its observer status on several Caricom committees, while Guyana quickly recognised the new government installed at the behest of the military—a position defended Tuesday by the Guyana president Desmond Hoyte.

A proposed security system for the Caribbean should be an issue that attracts intense discussion, taking place as it does in Port of Spain and in the presence of Trinidad and Tobago Prime Minister Arthur Robinson. The idea of a region-wide security apparatus gathered momentum at the last Caricom summit in Jamaica in July, which coincided with an attempted coup here by a Muslim organisation, and in which Robinson was shot. The Trinidad and Tobago leader made an oblique reference to the coup in opening remarks, delegates said. Robinson said he was happy to be talking with his Caricom colleagues in person and at the conference table rather than from some hospital bed.

The Caricom leaders will also be discussing relationships with the Rio Group of Latin American nations which coordinates hemispheric economic matters, particularly the Latin debt problem. Caricom was recently invited to participate in the group.

President George Bush's Enterprise for the Americas Initiative—a proposal for a hemisphere-wide free trade grouping—is also under discussion, as well as the recent decision by the European Community to lift a ban on new investments in South Africa.

The leaders are also discussing the situation in Haiti and a possible coordinated approach to Caricom assistance to that country following elections that brought Jean-Bertrand Aristide to office. Haitian Foreign Minister Jean-Louis Marie is expected here later Tuesday to make his formal presentaion to the heads of government.

Also on the periphery of this conference is a Cuban delegation headed by a deputy foreign minister, Ramon Sanchez, who is considered to be one of Cuba's leading diplomats specializing in Latin American affairs. Cuba is keen to strengthen its relations with Caricom, and one of its major concerns would be that any discussions on the future economic development of the Caribbean would see Havana as an important player.

## Caricom Holds 'First-Ever' Economic Summit

### Eight Issues, Themes Listed

*FL2402193591 Bridgetown CANA in English 1722 GMT 24 Feb 91*

[By Rickey Singh]

[Text] Bridgetown, Barbados, Feb 24, CANA—The first-ever official conference on economic development in the English-speaking Caribbean, gets underway this week in the Trinidad and Tobago capital, Port-of-Spain, with eight substantive themes and issues. The three-day Regional Economic Conference (REC), mandated by Caribbean Community (Caricom) governments, will focus on new development policies and strategies for Caricom countries into the 21st century.

The eight major issues going before delegates, including heads of government, are: human resource development, science and technology, trade, finance for development, social infrastructure, sustainability of development, the role of public and private sector organisations and non-governmental organisations (NGO's), and regional cooperation.

The conference will be formally declared open on Wednesday by Trinidad and Tobago's Prime Minister A.N.R. Robinson, the initiator of the idea of such a conference following the comprehensive Caricom study on Caribbean development to the year 2000, done in cooperation with the Commonwealth secretariat. As agreed by the 1989 Caricom summit in Grenada, the intention of the economic conference is to develop "a consensus in the region on the policies and measures which the countries of the region should adopt to ensure a satisfactory rate of economic development and improvement in its quality of life into the 21st century."

The talks take place against the backdrop of mounting social and economic problems in the region. The list includes high unemployment ranging ranging from 14 to 32 percent, declining economic growth rates, a crippling foreign debt of approximately U.S. 12 billion dollars, teenage pregnancies, rising drug-related crimes, and continuing squabbles among Caricom governments and private sectors over lingering barriers to intra-regional trade.

There are also differences over models of development in this economic grouping of some 5.2 million people; opposition to perceived negative influences of the International Monetary Fund (IMF) and World Bank in determining development priorities; as well as problems stemming often from the failure of Caricom governments to act collectively in dealing with extra-regional donor governments and multilateral institutions.

On Monday, representatives of over 20 regional and national umbrella NGO's will hold a day-long strategy meeting in preparation for their participation in the REC, being convened following a one-day informal

summit of Caricom government leaders on Tuesday. These NGO's, identified with the newly-launched Caribbean Policy Unit (CPU), plan to put forward their "vision of a better Caribbean" emphasizing a people-oriented approach to development when they critique the main REC working document, prepared largely with the assistance of University of the West Indies (UWI) economics Professor Compton Bourne.

The REC will be the outcome of 18 months of preparation by a high-powered co-ordinating and planning committee under the chairmanship of the Trinidadian economist, Frank Rampersad, in cooperation with the Caricom secretariat and the Trinidad and Tobago Government. It also comes at the end of a series of regional and national consultations held across the 17-year-old community which hopes to be transformed into a single market and economy by the end of 1993.

With a view to facilitating the deliberations, the Rampersad committee had mandated Professor Bourne to assist in drafting a working document that reflects a cross-section of views drawn from the consultations held and also from documents received by the committee from various interest groups.

### Sandiford on Americas Initiative

*FL2702005091 Bridgetown CANA in English 2244 GMT 26 Feb 91*

[Text] Bridgetown, Barbados, Feb 26, CANA—Barbados Prime Minister Erskine Sandiford hopes an American investment initiative will result in more U.S. trade and tourists in the Caribbean, the state information service reported Tuesday. In a statement, the Barbados Government Information Service [BGIS] said Sandiford spoke about Washington's Enterprise of the Americas Initiative (EAI) during Tuesday's informal Caribbean Community heads of government meeting in Trinidad.

"... Mr. Sandiford pointed to a decline in trade with the U.S.A. and a decline in tourist arrivals from that market in respect of Barbados and some of other Caricom (Caribbean Community) countries, and said that he hoped that the EAI could assist in turning the situation around," the information service reported.

Sandiford called for a regional approach to the EAI, "pledging his country's co-operation to work within the framework of Caricom to negotiate with the United States on this and other regional issues," it said.

BGIS said Sandiford has also agreed to allow Barbados to be the location for the Caribbean Disaster Response Agency. "The organisation was proposed by Prime Minister Sandiford at the heads of government conference in Grenada two years ago," it said.

"The proposal was in response to the hurricane disaster in Jamaica at the time. It was felt that there was need for a regional response mechanism so that countries could make a ready and coordinated response to disasters in the region."

### General Secretary Resigns

*FL2702140091 Bridgetown CANA in English 1117 GMT 27 Feb 91*

[Text] Port of Spain, Trinidad, Feb 27, CANA—Economist Roderick Rainford has resigned as secretary general of the Caribbean Community (Caricom) secretariat. His resignation, which becomes effective by September, was revealed by chairman of Caricom, Jamaica Prime Minister Michael Manley, during a press briefing following a one-day informal heads-of-government conference here on Tuesday.

"We very sadly received the news that our secretary general, Roderick Rainford, after eight years of exemplary and disciplined and able and really quite extraordinary service, and with very, very limited resources, has indicated that by September, he wants to move on the other things," Manley told reporters. He said Caricom leaders had to "very sadly" accept his intentions, and wished him "every good fortune."

Manley said a successor was now being sought. Rainford had previously signalled his intention to leave the secretariat.

### War, Apartheid, Security Viewed

*FL2702143591 Bridgetown CANA in English 1141 GMT 27 Feb 91*

[By Linda Hutchinson]

[Text] Port of Spain, Trinidad, Feb 27, CANA—Caribbean Community (Caricom) heads of government say they want "a peaceful and comprehensive solution to outstanding issues of peace and security" in the Persian Gulf.

The leaders also want a "genuinely international collective security system" to protect small states. The Caribbean leaders' stand was detailed in a statement at the end of an informal meeting here Tuesday.

The heads of government also agreed that sanctions should be maintained in South Africa until the system of racial segregation ends.

"Heads of government expressed the particular hope that following a resolution of the Gulf crisis, the international community would turn its urgent attention with equal vigor to finding a peaceful and comprehensive solution to all the outstanding issues of peace and security in the Gulf area," the statement said.

The nine heads of government expressed strong hope that with the restoration of the sovereignty of Kuwait, invaded by Iraq last year, peace would soon return to the Gulf region.

The statement continued: "Convinced of the vital need of small states for the United Nations to safeguard the interests of all states, they regarded as critically important the emergence from this conflict of a strengthened

United Nations acting to secure peace and stability in all regions of the world with consistent adherence to principle. Central to this process would be a genuinely international collective security system aimed in particular at protecting the integrity of small states."

The session, chaired by Jamaica prime minister, Michael Manley, regarded the establishment and strengthening of collective security arrangements among Caricom states as a matter of urgency. The statement said the leaders looked forward to the advancement of action in the community on the proposal for the creation of a system for mutual security support among member states.

On the issue of South Africa, the leaders said they have been looking at the international decisions to lift the ban on new investment in South Africa, and the lifting of the boycott on South Africa in respect of those sports which were integrated.

"The heads of government, while welcoming the steps taken by President de Klerk, agreed that sanctions should be maintained until irreversible steps to end apartheid have been taken, and urged the international community to do likewise," the statement noted. It said a recent statement by Commonwealth foreign ministers also advocated that sanctions should remain in place until real and practical steps had been taken to eradicate apartheid.

### Energy Policy Sought

*FL2702154991 Bonaire Trans World Radio in English 1130 GMT 27 Feb 91*

[Text] In Caribbean news, prime ministers of English-speaking Caribbean nations are meeting in Port of Spain, Trinidad, in a closed-door session at the Hilton Hotel. Yesterday, the leaders heard a proposal by Jamaican Prime Minister Michael Manley, who is also chairman. He is seeking a Caribbean-wide energy policy, as well as an economic development accord. That will be one of the main things covered in the economic talks which begin today, and will last for three days.

The leaders also discussed the Persian Gulf war and its implications locally, as well as the situation in Suriname since the recent coup last December, but no details of the subjects were released.

Attending the meeting are Trinidad's A.N.R. Robinson, Jamaica's Mr. Manley, Erskine Sandiford of Barbados, Desmond Hoyte of Guyana, Lester Bird, [Sr.], of Antigua, Belize's George Price, Eugenia Charles of Dominica, James Mitchell of St. Vincent, John Compton of St. Lucia, Kennedy Simmonds of St. Kitts-Nevis, Nicholas Brathwaite of Grenada, and Lynden Pindling representing the Bahamas.

Guyanese President Hoyte told a news conference at the session that his country has a vital interest in neighboring Suriname. He said it would not be in Guyana's best interest to refuse to deal with Suriname's new government even though it is the product of a coup. The Guyanese leader also told reporters that elections will probably be held in his country sometime in September pending the completion of a new voter list.

Cuba has sent an observer to this week's Caricom meetings. This is not the first time that Cuba has observed the sessions. Cuba recently signed tourism agreements with Jamaica and the Bahamas. Professor Anthony Brian of the University of the West Indies told the Voice of America that a post-Castro Cuba could become an economic power in the Caribbean.

### Opposition on Guyana Economics

*FL2702164091 Bridgetown CANA in English 1259 GMT 27 Feb 91*

[Text] Port of Spain, Trinidad, Feb 27, CANA—Guyana's opposition leader, Dr. Cheddi Jagan, has brought the fight against the government to Trinidad, where President Desmond Hoyte has been meeting with Caribbean leaders.

Jagan told reporters Hoyte's economic policies had failed.

"We think that instead of the economic recovery programme increasing production, this will have the effect of stultifying production," he said. "....The first two years of the economic recovery programme have been a total failure. They had anticipated a growth rate of five percent per year, and they had in the last two years, minus three percent."

Hoyte came here to attend an informal Caribbean heads-of-government summit Tuesday, and a regional economic conference opening today.

Jagan said Guyana's debt payments this year would be more than revenue—a "calamity" for Guyana. "We do not think that... there can be any recovery under this government, in that they are constantly penalising the working people," he said. He calculated that last week's devaluation of the official rate of exchange will precipitate another round of serious struggle in the country.

"This devaluation will have a serious impact, indirectly and directly, in the lives of the people," said Jagan, adding that prices of food, medicine, and fuel would sky-rocket beyond the reach of many people. He said production in the country would also drop since Guyanese would be unable travel to work because of high fuel prices.

### Awards, Disaster Program Noted

*FL2702183091 Bridgetown CANA in English 1329 GMT 27 Feb 91*

[Text] Port of Spain, Trinidad, Feb 27, CANA—The Caribbean Community [Caricom] will, from this year, begin granting special honours to outstanding regional personalities, Jamaica's prime minister, Michael Manley, announced here Tuesday night. The idea of special Caricom awards has floated in the region for several

years, but Manley said that a number of Community member states had now formally signed for their establishment.

The first sets of awards, Manley indicated, could be later in the year. This was interpreted to mean that they might coincide with Caricom Day on July 4.

"For the first time, Caricom will be able to honour people who are felt to be Caribbean citizens of extraordinary distinction," Manley said.

The Jamaican prime minister reported that the heads of government who met here Tuesday had agreed to the establishment of a regional disaster relief agency to be headquartered in Barbados. The agency will have the responsibility of mobilising support and relief when crises arise.

"You will have a central coordinating mechanism...that doesn't just react to the crisis, but works from past experiences to get a prepared mechanism in place to deal with different kinds of crises," Manley said.

This agency apparently will succeed the Antigua-based Pan-Caribbean Disaster Preparedness and Prevention Programme, whose international financing is coming to an end. Manley said that the Caricom leaders would decide on financing for the new relief agency at their next summit, scheduled to be held in St. Kitts and Nevis.

### Economy, Development Discussed

*FL2702212091 Bridgetown CANA in English 1859 GMT 27 Feb 91*

[By Paget de Freitas]

[Text] Port of Spain, Trinidad, Feb 27, CANA—A much-heralded conference to map the Caribbean's economic future opened in Port of Spain Wednesday with emphasis on the need for the region to come to terms with the rapid changes in technology and the dictates of the market. But there was a significant discordant voice—that of the region's non-government organisations (NGO's), questioning the dominant concept of economic development and expressing regret that some different perspective did not emerge in a document which forms the basis for the discussions.

The original document was developed by University of the West Indies economic professor, Compton Bourne, and concentrates on strategies to pull the region out of its deep economic trouble and under-development. While making it clear that they did not reject the need for economic growth, savings, investment, and exports, the NGO's, through their spokesperson, Peggy Antrobus, questioned the context within which they took place and to whose benefit they accrued.

"In short, the NGO's are rejecting the materialisatic, individualistic vision of the dominant society," Antrobus, head of the Women and Development (WAND) programme at the UWI, told the formal opening session of the conference.

She added: "Human needs are primarily social needs. Caribbean peoples have not survived and cannot survive without community and without the beauty of our natural environment.

"From these sources the individual gets far more material satisfaction and also the satisfaction of non-material needs."

The requirement, therefore, was for "an alternative, more holistic, balanced model of development—one which satisfies not only material needs but also our need for dignity, identity, community, and spirituality."

Earlier, the Jamaican prime minister, Michael Manley, had remarked on the vision of societies capable of raising living standards and "organised around the principles of social justice and upon the framework of the rule of law." But he stressed that all this could be rhetoric if the Caribbean did not find "the secret to build viable economic structures."

Manley argued that the world economy was being shaped by factors including the rapid changes in technology, the development of regional trading blocs, and the globalisation of the market to which the Caribbean had to respond. In fact, the Jamaican leader said, the development of trading blocs was not only a response to competition but an outgrowth of technology.

He added: "We face a world where globalisation, because it is driven by the objective reality of technology, it is deaf, it is blind, it is impervious to political plea, it is resistant to ethical argument. It is what it is, is a reality."

Manley said that if the Caribbean ignored these realities its fate was already ordained. "We will become merely the extended markets for the goods that are produced with relentless efficiency," he said.

But there was also the possiblity for the Caribbean to develop the exports with a degree of specialisation and efficiency to make the region an effective participant in the world economy. The environment meant that regional governments, private sectors, and other instutitions had to work together to develop a successful formula. It is not going to be easy but we have to find the means to make it happen," he said.

Much of the same theme was also struck by the Trinidad and Tobago prime minister, Arthur Robinson, who underlined the need for a coordination of national fiscal, monetary, trade exchange rate, and incomes policies. Robinson said that the conference had been set a "monumental task," but asserted: "We have not come here unprepared. We have come here as prepared as never before to meet the expectations of the people of the Caribbean."

### Caribbean Democracy Praised

*FL2702214091 Bridgetown CANA in English 1918 GMT 27 Feb 91*

[By Linda Hutchinson]

[Text] Port of Spain, Trinidad, Feb 27, CANA—Caribbean democracy got a high billing Wednesday when a major regional economic conference opened here. Both Trinidad and Tobago prime minister, Arthur Robinson, and his Jamaican counterpart, Michael Manley, spoke about the issue at the opening session.

"Undoubtedly, one of our greatest achievements in Caricom (Caribbean Community) countries has been the attainment of levels of democratic government unmatched in most countries of the world," Robinson told the gathering of regional political leaders, businessmen, economists, trade unionists, and non-government organisations. He said there were "hundreds of millions" of people in many countries throughout the world who aspire to achieve the levels of democracy which exist in the Caribbean Community.

"Among us, we accept that governments should change by the ballot and not by the gun," Robinson said. "We have come to realise as well that an attack on the democratic system of any one of us is an attack on the democracies of all of us." Robinson's government survived a coup attempt by a fundamentalist Muslim sect last July.

Robinson described Barbados' January general elections as "indisputably free and fair." He also extended congratulations to Haitians on their "heroic struggle" for the establishment of democracy in their "beleaguered" country.

"Here I feel impelled to propose for the consideration of the conference that any plans which we adopt for the acceleration of economic growth over the medium term should contain as a central element a philosophical commitment to the democratic tradition and way of life as we have come to accept it in the region," Robinson said.

Manley, chairman of Caricom, said the duly elected government of Haiti led by President Jean-Bertrand Artistide represented a triumph of courage and dedication to the ideals of freedom. Manley said that the globalisation of international economies was being followed by democratisation. He said democracy was important to a country because it ended the illusions that economic development could occur through a "command" economy.

Robinson also expressed appreciation of the serious commitment made by the four Windward Island countries of Dominica, Grenada, St. Lucia, and St. Vincent and the Grenadines to establishing a single state. "Every West Indian I suggest should feel inspired and elevated by the vision of the leaders of these four states....," Robinson said.

### Windward Opposition Reportedly Ends RCA Boycott

*FL2502170091 Bridgetown CANA in English 1602 GMT 25 Feb 91*

[Text] Castries, St. Lucia, Feb 25, CANA—Opposition politicians from the Windward Islands will gather in Dominica this weekend, amid reports of a likely end to their boycott of a Regional Constituent Assembly (RCA) advancing plans for a political union of the sub-region.

Julian Hunte, chairman of the Standing Conference of Popular Democratic Parties of the Eastern Caribbean (SCOPE), told CANA Monday SCOPE will hold public meetings in Roseau and Portsmouth from February 28 on the unity issue. He said a coordinating committee meeting of SCOPE will also be held in Dominica on March 1, at which a decision is likely to be taken on the group's participation in the second RCA meeting scheduled for St. Lucia in April.

SCOPE had boycotted the first RCA meeting in St. Vincent after accusing the Governments of St. Lucia, Dominica, Grenada, and St. Vincent and the Grenadines of not implementing several opposition concerns.

Hunte, St. Lucia's parliamentary opposition leader, said following the Kingstown meeting, there was now only one other matter to be implemented and it involves the legalisation of the terms of reference of the RCA.

The St. Lucia-based Organisation of Eastern Caribbean States (OECS) secretariat announced last week that the Parliaments of the four islands are expected to ratify the inter-governmental agreement, establishing the RCA, before the St. Lucia meeting.

"I have every reason to believe if that is done, we will attend the second meeting, we would have no reason not to attend, they (the governments) would have completed all our recommendations," Hunte said. But he pointed out it was unlikely that SCOPE members would adopt a united position at the RCA, since many member parties had publicly made their various positions known on the unity issue.

Hunte said the Dominica meeting will also discuss "the whole question of elections before a referendum" in the four islands on the unity initiative.

## Dominican Republic

### Balaguer Speaks to Nation on National Day

*FL2802142091*

[Editorial Report] Santo Domingo Radio-Television Dominicana Radio Network in Spanish monitored in progress at 1438 GMT on 27 February carries a live speech by Dominican President Joaquin Balaguer to the National Assembly in Santo Domingo on the occasion of the Dominican Republic's national day and is a review of 1990.

At 1438 GMT Balaguer discusses the state of education in the Dominican Republic. He describes illiteracy in the country as "a national disgrace" and proclaims the government's intention of strengthening primary education programs, building more schools, and expanding teacher training institutes. He proclaims that, after education, the country's second highest priority will be improvements in the health sector. Balaguer says that although there are enough hospitals, "most of these medical centers do not function satisfactorily." Therefore, the government's main effort will be in working to make it possible for the hospitals to provide better services.

Balaguer turns to a review of the agricultural sector. He says that he foresees advances in that sector and outlines the government's efforts to increase production, noting as one example, the distribution of seeds. He also gives details on the building of dams and irrigation systems. Balaguer says that these programs are being carried out despite financial difficulties.

At 1448 GMT Balaguer states: "Our country's greatest problem is the lack of standards to regulate relations between the two nations that share the administration of this island. The Dominican Government and people have enthusiastically greeted Haiti's entry into democratic life. The existence of a democratic and stable government in Haiti is as important to the Dominican Republic as it is to our neighbors.

He goes on to say: "There are many situations between the two nations that must be corrected. The Dominican Republic obviously cannot continue indefinitely trying to control the peaceful but irregular and clandestine invasion by our neighbors. [applause] We do not have the capability of feeding and educating the 7 million native inhabitants of our own land without great effort and great sacrifices. We can and must absorb part of the Haitian population, but in reasonable amounts and in accordance with our own capabilities.

"The two governments must meet together to solve the problem of the living conditions of sugar plantation workers in both countries. Trade between the two countries must be normalized through customs agreements, to the benefit not only of private individuals but also of both nations' treasuries."

Balaguer goes on to call for coordination in the exploitation of resources in the border area and closer ties between intellectuals of the two countries in order to reduce the historic cultural barriers. He says: "These and other problems of the same kind can easily be solved if the two peoples strengthen their friendship and come closer together to seek just solutions to situations that go back for long centuries."

"The problem of our relations with the Haitians is so important, as important for our country as anything, including the matters of health and education. Our problems in these areas are enormous, but they are also enormous for other countries in the region, and they can be solved." He further states: "We do not interfere in anyone else's problems, because we want and seek only peace, peace and justice for all men."

At 1509 GMT Balaguer turns his attention to "our advances and the painful transition from the dictatorship to democracy." He gives a historical review of the Western world over the course of the twentieth century, noting Western advances in music, industry, and other fields. He notes that events in the Dominican Republic in the second half of the century have been "as surprising as they have been noteworthy." He declares that a priority of his government will be the defense of natural resources. He promises to protect Dominican rivers, lakes, and waterways. Balaguer notes that the Dominican Republic will next year, along with other countries in the hemisphere, celebrate the 500th anniversary of the discovery of the Americas by Colombus. He says that one lesson of those 500 years has been the need to protect the land, the waters, the trees, the flora, and the wildlife.

Balaguer then turns to a discussion of the economic situation and notes the ongoing negotiations with the IMF. He says: "The country should have the impression that I am opposed to these loans, that I am not very enthusiastic about these loans, and I look with distrust and great hesitation at any attempt at foreign interference in the sphere of our sovereignty." He goes on to say: "I think the time has come to reach an agreement with the IMF. We owe to foreign institutions more than $4 billion." Balaguer givens a historical review of Dominican economic relations since World War II. He then notes: "The time has come for us to open the doors, in a moderate way, to foreign credit." He notes that the IMF has become more flexible, more humane, taking into account the economic and social conditions in the different countries. He calls on Dominicans to maintain their faith in the Dominican banking system. He assures that the defects discovered have been corrected.

He also asks Dominicans to accept, with good or bad grace, the economic disturbances the conflict in the Middle East will cause.

The speech ends at 1527 GMT.

## Haiti

### Ministerial Commission To Investigate Massacres

*FL2702194591 Port-au-Prince LE NOUVELLISTE in French No. 34011 27 Feb 91 p 2*

["Text" of item from the "Stirs in the News" column by Roger Milcent: "For Dissecting the 'Judicial Dossiers'"]

[Text] The Aristide/Preval government has just set up an interministerial commission including the ministries of Justice, Social Affairs, Agriculture, and Planning in order to resume and dissect the heavy judicial dossiers that are still pending in Haiti.

This commission will look into dossiers such as the massacres of Jean-Rabel, Piatte, Saint-Jean Bosco, Danty, and so on.

### Further Reaction to Panpra Withdrawal From ANDP

*FL2702222591 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 27 Feb 91*

[Excerpts] The withdrawal of the National Progressive Revolutionary Party of Haiti [Panpra, headed by Senator Serge Gilles] from the National Alliance for Democracy and Progress [ANDP] is perceived as a big blow within the ANDP or, at least, by the two other members of the ANDP: the Movement for the Establishment of Democracy in Haiti [MIDH] and the National Patriotic Movement of 28 November [MNP-28]. They think that this withdrawal.... [changes thought] Many people within the alliance or rather the former alliance think that this withdrawal is something strategic and perhaps even political.

According to the leader of MNP-28, Dejean Belizaire, the alliance is superseded and therefore must be forgotten forever because there is no other choice. He is working to establish its party on the ground. [sentence as heard] [passage omitted]

Belizaire deplores the way Panpra left the alliance. He said that there was not any problem between them or, at least, there were no conflicts or arguments. There was nothing visibly wrong between them. Perhaps there might have been an underlying problem. He continued by saying that this withdrawal may have been politically motivated. [passage omitted]

Questioned about misunderstandings that Panpra's withdrawal from the ANDP might provoke between the deputies and senators of MIDH, Panpra, and MNP-28 within the Parliament, Dejean answered that he is looking for the collaboration of all parliament members who are working for the good of the country. [passage omitted]

## Costa Rica

### Foreign Minister on UN Reorganization After War

*PA2702195791 Panama City ACAN in Spanish 2211 GMT 26 Feb 91*

[Text] San Jose, 26 Feb (ACAN-EFE)—Costa Rican Foreign Minister Bernd Niehaus has stated that the conclusion of the war in the Persian Gulf may be a good time for the revision of the legal and political structure of the United Nations.

Upon expressing hope that the war in the Middle East will soon end, after the Iraqi withdrawal from Kuwaiti territory, "it is necessary that in a time of detente we undertake the task to revise, renovate, and revitalize the structure of the United Nations," said Foreign Minister Niehaus.

Niehaus did not explain the aspects that he thinks should be revised. Referring to the conflict, however, Niehaus stressed that "we must work hard within a new framework at the United Nations, so that a situation similar to the current situation will not be repeated."

The Costa Rican foreign minister reiterated the wish of his government for a quick end to the war in the Persian Gulf, "and the reestablishment of peace in the region."

## El Salvador

### FMLN Issues Communique on Recent Attacks

*PA2802005791 Mexico City NOTIMEX in Spanish 0009 GMT 28 Feb 91*

[Text] Mexico City, 27 Feb (NOTIMEX)—A communique issued today by the Farabundo Marti National Liberation Front (FMLN) has stated that the guerrillas will continue responding to "the terrorist actions of the Government" of El Salvador.

It added that yesterday's attacks on "enemy military positions" in residential areas of northern San Salvador, along with those aimed at the military defense and fuel tanks of the Acajutla refinery, form part of that response.

Signed by "the joint staff of the National Army for Democracy," the FMLN communique stated that the Salvadoran Government "is trying to create a climate of terror for the elections and to obstruct the negotiating process."

Among what it described as "terrorist actions" of the Salvadoran Government, the FMLN cited "the burning of DIARIO LATINO, the El Zapote massacre, the murder of activists of the opposition parties, the invasion of our territories, and the bombing of the civilian population."

The guerrilla operations "fall within the framework of a strictly defensive strategy" to persuade the government forces to "turn away from violence and to strengthen the negotiations so as to attain a cease-fire as soon as possible," the communique concluded.

### FMLN's Canas Comments on Recent Attack, Elections

*PA2702203691 San Salvador Radio Cadena YSKL in Spanish 1844 GMT 27 Feb 91*

[Telephone interview with Roberto Canas, member of the Political-Diplomatic Committee of the Farabundo Marti National Liberation Front (FMLN) by station announcer "Gustavo"—live]

[Text] [Gustavo] Roberto, there have been many comments regarding the attack that the FMLN staged last night on the northern part of the Escalon neighborhood. What exactly could the FMLN gain from this harassment and occupation of the Escalon neighborhood?

[Canas] Yes, thank you very much, Mr. Gustavo. First of all, I would like to send a greeting to the Salvadoran people, and very briefly make some comments on the events of last night. First, I wish to tell the Salvadoran people that for some time, a situation of repression and intimidation of the Salvadoran people has existed. This situation has been expressed through actions such as that of El Zapote, the burning of DIARIO LATINO, and the murder of two candidates of the Nationalist Democratic Union [UDN]. We view with great concern that situation of repression and fear that is being established in El Salvador, and we wish to mention that the action that was taken yesterday was basically a defensive action within a program of active defense, because the Salvadoran Army is also carrying out at this time military operations practically nationwide. The Army is carrying out military operations against our forces and our territories in Chalatenango, Guazapa, northern San Miguel, and Usulutan,.

Finally, Mr. Gustavo, we also want to reject the latest communique issued by the Salvadoran Government charging that the activities in question that we carried out last night are intended to hinder the electoral process. We totally reject this, as well as the charge that such activities are terrorist in nature.

In closing, I would like to refer to a letter that the president of the OAS [as heard] has sent to the Salvadoran foreign minister, urging him to investigate this type of repressive action that is taking place in El Salvador. I will read one brief paragraph:

The Inter-American Human Rights Commission, considering the painful situation that has affected human rights in El Salvador, and the acts of violence carried out in the past against social and humanitarian organizations, has found it necessary to address itself, in the most vigorous terms, to the Salvadoran Government, to remind it of its obligation to guarantee the free and full exercise of the human rights of its citizens. This guarantee implies the duty to investigate charges that have been made.

This is a reference to the charge by government agencies to the effect that institutions devoted to the defense of human rights, such as the Legal Aid Office and the nongovernmental Human Rights Commission, are linked to the FMLN. Thus, the OAS Human Rights Commission has asked for an investigation of this type of charge and for the prevention of acts of intimidation against those who are carrying out activities in defense of human rights. That is all I have to say, Mr. Gustavo.

[Gustavo] Thank you, Mr. Canas, but I would also like to ask you something. There have been frequent comments here regarding the attack that was staged last night. It was stated that the FMLN reportedly detained some relatives of a military officer. How much of this is true? Has it not taken place?

[Canas] No, it has not taken place. At this time, I have precise information here where I am located with regard to that, Mr. Gustavo.

[Gustavo] As for the elections, will the FMLN issue a special communique outlining its position?

[Canas] I wish to state in advance to the Salvadoran people that an official definitive communique will be issued very soon outlining our position regarding the electoral process. I also wish to tell them that in the next few days there will be a number of meetings between the FMLN and the political forces of the country to discuss this topic. Therefore, what I could say is that in the next 20 to 24 hours, very soon, there will be a definitive statement regarding the elections.

## FMLN Says Attacks Will Not Hinder Elections

*PA2702164491 San Salvador Radio Cadena YSKL in Spanish 1356 GMT 27 Feb 91*

[Text] FMLN [Farabundo Marti National Liberation Front] units that have taken up positions in the Escalon neighborhood and other nearby areas will turn over two members of the ONUCA [UN Observer Group in Central America] who were captured on the night of 26 February during clashes that began at 2030 and have left a total of one person dead, seven civilians wounded, and [words indistinct].

The Armed Forces Press Committee (Coprefa) announced this morning that during the actions that lasted several hours, the guerrillas kidnapped a group of youth, including a colonel's son, after firing bazookas in areas near Mirador Street.

During clashes near the Escalon neighborhood, a military complex was damaged by 81-mm grenades. Several homes on the residential Mirador Street were also damaged by 81-mm grenades. Homes on Libertad [words indistinct] and FRG Avenue were also damaged. The Coprefa announced that during the same action the guerrillas opened fire with rifles on a C-47 airplane and a Push-and-Pull [O-2] airplane, but there were no casualties.

FMLN units on the night of 26 February attacked the Acajutla industrial complex installations in Sonsonate Department. A fence protecting a fuel tank, [words indistinct] of the Lempa River Hydroelectric Executive Commission, and a privately owned vehicle were damaged. Our source said that during this action, which lasted half an hour, there were no casualties or civilian victims.

Meanwhile, troops from the 4th Brigade's Asmitia Battalion clashed on 26 February with rebels near [words indistinct] in Chalatenango Department; one rebel was wounded.

As a result of armed actions last night in the northwestern part of the Escalon neighborhood, 150 families had to be evacuated by various humanitarian organizations. There were also reports that a home on Mirador Street, in front of Mirador circle, caught on fire when an explosive device landed on it. The residence, owned by the Hernandez Aragon family, was partially destroyed. The family says that the home sustained several million colones in damages. Spokesmen for the fire fighters said that they could not enter the home because of the armed activity in the area.

It has also been confirmed that one person was killed and seven were wounded during armed actions prompted by the guerrillas when they attacked Army positions in the Escalon neighborhood. At this time, the situation is still critical because entry to the area is restricted and Army units and members of the various relief organizations have continued to conduct searches and inspections in the area. FMLN leftists mingled with the civilian population until very late into the night, establishing fixed positions in the Escalon neighborhood, since they were dislodged during an Armed Forces operation. The area had to be evacuated because of the violence of the clashes and the launching of explosive devices that hit Mirador Street, while relief organizations continued assisting the people and late in the night attempted to evacuate the area.

The guerrillas, upon referring to this new military action, said that it constitutes an answer to the counterinsurgency operations the Army is conducting in different parts of the country. One FMLN member pointed out that this operation in Escalon neighborhood will not delay the legislative and municipal elections that are scheduled for 10 March.

## FMLN Member Explains Attack on Capital

*PA2802022891 San Salvador Radio Cadena YSU in Spanish 1854 GMT 27 Feb 91*

[Telephone interview with Salvador Samayoa, member of the Farabundo Marti National Liberation Front's (FMLN) Political Diplomatic Commission, by YSU reporter Mauricio Ramirez—recorded]

[Text] [Samayoa] Good afternoon to all YSU radio listeners. We have been surprised by the Salvadoran

Government's communique which states that, through our military actions carried out last nights in the Escalon neighborhood, in San Salvador, we seek to sow terror and to obstruct the elections.

We would like to state for the record that on the military terrain, almost all the Armed Forces' elite units and regional brigades are engaged in operations in our controlled areas in the Departments of Chalatenango, northern San Miguel, and Usulutan, as well as on Guazapa Hill. There on Guazapa Hill indiscriminate bombings are being carried out. Therefore, the raid launched last night in San Salvador by rebel columns are a direct military response to the invasions which the Armed Forces troops are carrying out in our territories. If they go into the territories which we control, we will go into the territories they control.

Therefore this is an operation, like others that can come up, which are purely defensive. We cannot sit back and let the Armed Forces engage in operations in our territories. This is the meaning of last night's raid, which, as you all know, only lasted a few hours. By this action we are sending the government a signal that if they want to intensify the military activity, the FMLN will respond militarily. This was not an offensive operation on our part. Neither is it true that there have been or that there are hostages or any actions taken that affect civilians.

[Ramirez] With regard to the situation in El Salvador, this morning Foreign Minister Manuel Pacas Castro said that he had talked with UN representatives here and they claim that rebel forces had taken hostage for several hours a UN official as well as an OAS observer, who had participated as part of the international observer group for the coming elections. The foreign minister also said that are no military objectives. What is your opinion in this regard?

[Samayoa] I think that the foreign minister is manipulating the facts, there have not been any hostages taken at any time. What happened is that during the raid, our forces entered some homes located in that area, and during the time that the rebel columns were engaged in their operations, they remained in some of the homes in that neighborhood. No one was held hostage. Because a hostage is someone who is held prisoner, with a goal in mind or to obtain a political benefit. This is not the case. The FMLN forces have not take any hostages and as everyone knows, the troops withdrew in an orderly fashion at dawn to their immediate rear positions.

Therefore, the foreign minister's statements can be considered a gross manipulation of the facts. I do not know if any of the international observers reside in that neighborhood; it would not be surprising. In any case, you can rest assure that no one has been harmed and there are no hostages.

## FMLN Guerrillas Withdraw From Occupied Positions

*PA2702153891 Mexico City NOTIMEX in Spanish 1405 GMT 27 Feb 91*

[Text] San Salvador, 27 Feb (NOTIMEX)—NOTIMEX has been able to confirm that the Farabundo Marti National Liberation Front (FMLN) guerrillas of El Salvador withdrew early this morning from positions that they occupied last night in an exclusive residential part of the capital.

Almost 12 hours after the rebels took over the Escalon, Lomas Verdes, Lomas de Versalles, and Campestre neighborhoods in northwestern San Salvador, the Army regained control of the area. Units of Military Detachments No. 1 and 5, the 1st and 2nd Infantry Brigades, and the National and Finance Police were patrolling the streets, as could be seen during a tour of Lomas Verdes.

Military spokesmen announced early today that the rebels were still in the residences that they occupied at 2000 yesterday.

Broken windows, bullet holes in doors and walls, and slogans painted on the sides of residences bore testimony to the FMLN's arrival in the area and the intensive fighting that occurred when the Army attempted to dislodge the guerrillas. "If they want war, they will have war," was painted on the walls around the huge residences located on the slopes of the San Salvador volcano.

Preliminary reports said that at least two civilians were killed and six others injured. The Army has not yet released information about its casualties.

Questioned by NOTIMEX, inhabitants of the Republica Federal de Alemania Avenue, along which the rebels staged their raid, said: "The boys came and rang the bell. They asked for our cooperation and assured us that nothing would happen to us."

A man of some 40 years of age said that at least one of the homes on that street was used as a "command post," and that the guerrillas "went in and out of the houses to fight." He emphasized that the rebels were wearing almost perfect military uniforms and that the person who he says was directing the operation was dressed in black.

This morning, President Alfredo Cristiani's government condemned the rebel action and declared the area occupied by the guerrillas to be a "restricted area."

In a communique broadcast on a national radio network, the government urged the international community to condemn "the taking of hostages" and the "terrorist activities," which it said are being carried out by the FMLN in order to "destabilize the democratic process."

### Government Communique on Situation in San Salvador

*PA2702135491 San Salvador Domestic Service in Spanish 1312 GMT 27 Feb 91*

[Communique No. 2 issued by the Salvadoran Government in San Salvador on 27 February—read by announcer]

[Text] The government of the Republic advises the Salvadoran people that:

1. As a result of a terrorist action carried out by the FMLN [Farabundo Marti National Liberation Front] last night in the northwestern sector of San Salvador, several families were held as hostages in houses along El Mirador Street and Republica Federal de Alemania Avenue in the Escalon neighborhood. With this type of action the FMLN seeks to shield itself with civilians for the sole purpose of sowing sorrow and destruction.

2. The government of the Republic strongly condemns the taking of hostages and demands that the lives of these people be respected. The government calls on the international community to ask the FMLN to stop this irrational warmongering attitude, which does not contribute to the peace process.

3. Likewise, the indiscriminate use of explosives in populated areas where no military targets are located is proof of the terrorist nature of the action and a flagrant violation of human rights.

4. The government of the Republic denounces, before the Salvadoran people, the destabilizing plans that the FMLN is attempting to implement through actions such as the aforementioned. These actions are intended to hinder the electoral process, which represents another step toward the consolidation of the democratic system.

5. In light of the threat that the FMLN terrorist groups represent, the following are considered restricted areas: the areas between the Masferrer Avenue circle, the Republic Federal de Alemania Avenue, and El Mirador Street. The people are therefore asked to refrain from using these areas until public order is restored.

San Salvador,
27 February 1991
Salvadoran Government

### Escalon Under Army Control; Update on Situation

*PA2702230091 San Salvador Radio Cadena YSU in Spanish 1400 GMT 27 Feb 91*

[Live relay from reporter David Rivas]

[Text] We will contact our reporters in the northwestern part of San Salvador, where there were powerful clashes last night between the Army and the guerrillas. Here is David Rivas with a report.

[David Rivas] We have toured several streets in the Escalon neighborhood. At this time of the morning we can confirm that the Army totally controls the situation here in the Escalon neighborhood. We have spoken with several army officers, who have told us that the situation has been totally controlled by the combined army units that have been participating in actions for several hours since the incidents began last night.

We are now exactly in La Union sector in the Escalon neighborhood, a few meters from the slopes of the San Salvador volcano. We can confirm that the Army controls this sector.

Trucks from the elecricity company have arrived and technicians are trying to repair the damaged power lines. We have been told that the urban guerrillas blew up four power poles and also damaged telephone lines.

We also learned that the guerrillas left several bombs on the streets. Today we have been told by some residents that as a safety measure, the Army has urged them not to go to areas where the bombs could explode.

During our tour of the neighborhood we have seen several homes with big holes in their front doors, several Jeep-type vehicles with their windshields totally destroyed and some with damaged chassis. We have been told that some people had to stay under beds or tables all night for fear of being hit by a bullet.

It is said that there were at least 60 guerrillas in this sector of La Union, a few meters from the suburban areas of the Escalon neighborhood. We were also told that the rebels fired at the air force aircraft that overflew this sector.

Soldiers with whom we talked this morning have not confirmed reports that six or seven soldiers were wounded. They said that they are not aware of any army casualties.

Also, there are no reports on casualties inflicted on the Farabundo Marti National Liberation Front guerrillas. We have been informed that the guerrillas fled early this morning to an unknown destination.

Several power poles are on the ground. There is no electricity in this sector of the Escalon neighborhood. There is rubble on the streets as a result of strong explosions. [passage omitted]

That is what we have to report at this time. We have been told that the situation is under control. Calm is gradually returning to the Escalon neighborhood.

### UDN Leaders Link Government, Army To Murders

*PA2302190291 San Salvador Canal Doce Television in Spanish 1803 GMT 22 Feb 91*

[Text] Commenting on the murder of two professionals, Nationalist Democratic Union [UDN] leaders have implicated the Armed Forces and the Nationalist Republican Alliance [Arena]. The UDN leaders felt that the recent remarks by an Arena leader may point to the

motives of the murders of Heriberto Aristides Robles and his wife, gunned down near the Benjamin Bloom Hospital. Robles was running as a UDN candidate to the post of 3d councilman in the Ciudad Delgado Municipality.

[Begin UDN leader Vinicio Penate recording] This incident is plainly and simply the result of the irresponsible charges made a few days ago by prominent Arena leader Jose Francisco Guerrero, who said our party and others were serving a plan orchestrated by the FMLN [Farabundo Marti National Liberation Front]. [end recording]

In establishing a chronology of action by leftist parties in the past, Vinicio Penate said that persecution and murder of leftist political leaders have always been carried out by people who oppose them:

[Begin Penate recording] It is not a coincidence that Mr. Guerrero theatened the movement of the people by linking it to a plan to sabotage the elections, presumably promoted by the FMLN. These are the conditions and the political framework within which Arena carries out ideological and political attacks on our party, in particular. This situation is linked to terrorist actions aimed at intimidation, and in this case to murder. The implications are logical. At any rate, we are demanding that the Cristiani government carry out justice fully and promptly. [end recording]

The UDN members called on the UN delegates and the diplomatic corps in El Salvador to keep an eye on the way the election process takes place, as, they note, these action jeopardize the credibility of the elections.

### Rebel Radio Views Murder of UDN Couple

*PA2702034691 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 26 Feb 91*

[Station Commentary: "The Murder of the Robles Couple"]

[Text] The murder of two professionals and members of the UDN [Nationalist Democratic Union] was carried out in broad daylight near the U.S. Embassy and in the jurisdiction of the 1st Infantry Brigade, in the heart of a city under military control. The trail leading to the guilty goes directly to the Presidential House, the Armed Forces General Staff, and other installations, where, with U.S. aid, the assassins have been emboldened. We are talking of the U.S. Embassy.

The murder of the Robles couple comes at the same time that the ruling Arena [Nationalist Republican Alliance], using government funds, is maintaining a terrorist campaign over television and radio, accusing the death squad victims of forming part of a communist plan. This is an outdated and not very credible argument. Presidency Secretary Francisco Guerrero and Vice President Jose Francisco Merino, a death squad member, have accused the country's majority sectors of carrying out a destabilization plan promoted by the FMLN [Farabundo Marti National Liberation Front]. Arena's accusations include the Christian Democratic Party, the Democratic Convergence, the UDN, trade unions, the Archbishopric's Legal Assistance Office, churches, universities, cooperatives, human rights organizations, etc. This is the same type of campaign orchestrated by [General Rene Emilio] Ponce, [Colonel Inocente Orlando] Montano, [Colonel Francisco] Elena Fuentes, [Arena leaders] D'Aubuisson and Calderon Sol, and of course EL DIARIO DE HOY. Such a terrorist campaign led to the massacre of the Jesuit priests.

The murder of the Robles couple, one of them a democratic opposition party candidate for a municipal post in the 10 March elections, is a clear signal from Arena and its death squads that they plan to hold the elections amid a climate of terror to try to prevent the loss of their majority in the Legislative Assembly. That is why the FMLN does not consider these elections legitimate. That is why the FMLN does not endorse them. They are being held in an atmosphere of terror, without democratic conditions of equality, in a country in which each military chief of a brigade or detachment makes life or death decisions, in a country in which colonels decide what local and foreign journalists can report, in a country in which the General Staff and the ruling party order the setting on fire of independent newspapers, and in a country in which a second-rate Civil Defense chief, such as the Cuscatancingo Civil Defense chief, has the power to intimidate a judge who is investigating the abuses committed by the Armed Forces during the conscription process.

The country's social sectors that support democracy and peace, the social sectors that oppose conscription, massacres, militarism, the policy of hunger and misery, and, in general, the social sectors that oppose the unpopular war, must exert pressure prior to the elections to achieve the end of the stalemate in the negotiations which are being hindered by Arena and the Armed Forces. The country's social sectors should unite to get the negotiations successfully moving, because we are sure that the majority sectors which want peace, democracy, and justice will win over the warmongering sector, and because we are right and we are a majority.

### FMLN: Elections To Be Held in 'Imposed' War

*PA2702134091 San Salvador Radio Cadena YSKL in Spanish 1212 GMT 27 Feb 91*

[Text] The Farabundo Marti National Liberation Front [FMLN] has announced that the legislative and municipal elections scheduled for 10 March will be conducted amidst the government-imposed war and terror.

Commander Jesus Rojas, a member of the FMLN's political and diplomatic commission, said that the elections will be carried out under difficult conditions for the popular sectors because of the war, the repression, and the campaign of terror against the opposition.

Rojas also said that the government has initiated an entire process whereby it has hardened its positions and hindered the negotiations process.

The government and FMLN have been holding UN-sponsored private meetings. One was held last week in Costa Rica but failed to yield positive results.

### Government Denies Attacking Political Leaders

*PA2602043191 San Salvador LA PRENSA GRAFICA in Spanish 24 Feb 91 p 14*

[Text] In an official communique the government of President Alfredo Cristiani has rejected the FMLN [Farabundo Marti National Liberation Front] accusations of attacks on political leaders.

The communique makes FMLN commando units responsible for any attacks on political leaders that they might carry out.

The government denies that it is limiting political opportunities or trying to break the peace process by introducing repressive plans.

The government points out that its good behavior is recognized by the foreign observers who have come to monitor and "guarantee an honest electoral process."

Finally, the communique adds that the government "maintains its unchanging position of seeking peace through negotiation within the framework of the Geneva Accords, as well as within the other accords."

Another government communique states that the FMLN maintains its political strategy of "disseminating disinformation in order to undermine the morale of the people and their trust in the peace process and in order to blame the government for deadlocks within the peace process."

The government concludes by stating that it will maintain its firm resolve to seek peace through the civilized means of an electoral process. The government also urges the citizens to avoid pre-electoral confrontations and violence.

### Rebels Meet With Observers, Discuss Elections

*PA2602191791 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 26 Feb 91*

[Text] Delegates who came from several countries to observe our electoral process today visited zones under our control. On their way to Guarjila and San Jose de las Flores, located in the eastern sector of this department, they were stopped at the roadblock in El Co[illegible]caste, on the oustkirts of Chalatenango, and they were not allowed through. This is what they told this correspondent during a conversation we held this afternoon.

The observers who visited the territories under the control of Farabundo Marti National Liberation Front [FMLN] included Polish and U.S. delegates, including democratic congressmen and former U.S. Ambassador Edwin Corr. The observers confirmed the existence of the FMLN's territorial control in this department, because this was one of the things they wanted to confirm given the latest statements given by [Armando] Calderon Sol and [General Rene Emilio] Ponce denying the existence of such territories under FMLN control.

People living in communities throughout this department told these observers about the conditions in which they are forced to live because of the military. These conditions include an economic blockade, restrictions to traffic, repression, lack of documents, and—above all—the Army troops' latest actions. These actions include bombardments, strafings, and searches carried out by the Atlacatl Battalion as part of the military operation currently underway in the zone.

The observers also met with FMLN members, who explained the FMLN's position on not permitting elections to be held in zones under its control, emphasized that the solution to the Salvadoran conflict can be achieved through negotiation, and recognized the role played by opposition parties participating in the electoral process to achieve true democratic changes in our country.

### Politicians Comment on Negotiations, Violence

*PA2302150691 San Salvador Canal Doce Television in Spanish 1204 GMT 22 Feb 91*

[Text] Political leaders regret the failure of the peace negotiations between the government and the guerrillas held in Costa Rica. Ervin Ortiz has the report:

[Begin recording] [Ortiz] Ruben Zamora kept his position open because he did not know the results of the conversations, but he still said that the attempt to speed the process was in vain.

He believes that the failure of this new round of talks makes it imperative that there be a majority of opposition members in the next Legislative Assembly for the impasse to disappear.

[Zamora] ...this would lead to the presence of a majority of opposition members at the dialogue in order that we can come out of this impasse in which the meeting has ended. The government accuses the guerrillas, the guerrillas accuse the government, and the people do not know who to believe.

[Ortiz] Francisco Guerrero has a different point of view. The results of this round of negotiations seems positive to him; however, he said that false expectations should not be created about it, and he predicted that the dialogue will be more viable after the elections.

[Guerrero] There are many political parties that respond to the FMLN's [Farabundo Marti National Liberartion Front] leftist politics. It would have been ideal had the

FMLN leaders participated in the elections with their own identities. That is why I believe that after 10 March the dialogue will go faster.

[Ortiz] While commenting on recent statements made by rebel commander Joaquin Villalobos, who said that the FMLN reserves the right to boycott the upcoming elections due to the lack of guarantees, Zamora said that, if they did so, the the FMLN would pay a very high political cost.

[Zamora] No one in the international community would understand a military boycott to the elections. Besides, on an internal level, I believe that the majority of people would not perceive a military boycott of the elections favorably. In that sense, I believe that such an action would entail costs that I believe the FMLN is not willing to pay.

[Ortiz] Zamora said that the FMLN must also take into account the fact that these are the first elections in 20 years in which the political opposition will openly participate. For this reason, he ruled out the possibility of the guerrillas making the mistake of boycotting the elections.

Ervin Ortiz, reporting for Al Dia. [end recording]

### New Radio Station To Counter 'Disinformation'

*PA2402222391 San Salvador EL DIARIO DE HOY in Spanish 23 Feb 91 p 5*

[Text] The government will soon begin operating a 50,000 watt short-wave radio station that will air newscasts, music, and messages from El Salvador to the United States, according to unofficial sources.

The radio station is equipped with directional antennas that can send signals to various spots worldwide and will be oriented toward places with large concentrations of Salvadoran residents.

Although the administration and operation of the new radio station will be controlled by the government, it has been learned that, in due time, the station will be transferred to the private sector through a public bid or leased under contract.

Even though there is no specific programming yet, operations are said to be aimed mainly at the Salvadorans—without excluding others—who reside in the United States. The programs will be aired in Spanish and English.

The radio station will also serve as a link between the Salvadoran immigrants who live in the United States and their relatives in El Salvador, sources said.

The sources underscored that the radio station will also be a valuable instrument in counteracting the disinformation campaign undertaken against El Salvador in the United States several years ago by the terrorists groups and their allies, as well as the opposition political leaders.

## Guatemala

### Army Condemns URNG Rebels for Ixcan Massacre

*PA2702165991 Guatemala City PRENSA LIBRE in Spanish 24 Feb 91 p 2*

[Text] The Guatemalan Army has issued a press communique that states: "The URNG's [Guatemalan National Revolutionary Unity] criminal attack against several peasants, which regrettably resulted in 10 people being killed and three wounded and which is known as the Santo Tomas Ixcan massacre, has apparently not had an impact on the rebels' code of conduct as they have only tried to play down the importance of such an appalling bloodbath."

The document adds that crimes of this nature prove that the URNG commanders do not control the armed groups that attempt to frighten the Guatemalan population. The communique emphasizes "that there is a polarization between those who say they are the leaders and the armed groups that carry out irrational acts of sabotage and terrorism against the country's economic and productive infrastructue and even against the lives of the innocent peasants."

"Premeditation, treachery, and advancement prevail in the actions by the armed gangs who have declared themselves enemies of the people, inflicting upon them the most condemnable atrocities," the document adds.

The document also says that "the sarcastic position of the URNG's criminal terrorists regarding this abominable crime is a mockery to widows, orphans, and others, as well as to the citizens in general who had access to the information through the media."

Finally, the document states that those massacred at Santo Tomas Ixcan were Guatemalans who deserved respect because they tried to develop and defend their community.

## Nicaragua

### Some 10,000 Attend UNO Anniversary Celebrations

*PA2702173091 Managua Radio Corporacion in Spanish 2300 GMT 26 Feb 91*

[Text] On Sunday, three political party presidents were on the platform of the top leaders of the political alliance known as the UNO [National Opposition Union], which won the elections last February. Guillermo Potoy Angulo of the Socialist Democratic Party; Agustin Jarquin Anaya, president of the Christian Democratic Party; and Jose Castillo of the National Conservative Party could be seen on the platform, accompanied by Luis Sanchez

Sancho of the Nicaraguan Socialist Party, and Dr. (?Fernando Aguero Rocha) of the National Conservative Party.

Conspicuously absent was Dr. Virgilio Godoy Reyes, vice president of the Republic, who is abroad, according to sources within the Independent Liberal Party.

A gigantic red and green flag of the Nicaraguan Resistance could be seen. As previously announced, the presidents of the Independent Liberal Party, Communist Party, Popular Conservative Alliance, Nicaraguan Democratic Movement, and Neoliberal Party did not attend.

Some 10,000 people were estimated to have attended the field mass yesterday at the National Stadium. In other words, the crowd filled the stadium.

### Government Minister Doubles Official Security

*PA2702223791 Managua Radio Sandino in Spanish 1300 GMT 24 Feb 91*

[Text] A garrison will be built near the home of Somozist Mayor Arnoldo Aleman Lacayo, in the wake of the murder of Enrique Bermudez, colonel of the defunct National Guard. The government minister has decided to double the protection of ministers, chiefly for officials like Aleman and Labor Minister Francisco Rosales. It was also reported that the bodyguards that protected the members of the Sandinist National Liberation Front National Directorate were assigned to Presidency Minister Antonio Lacayo, and that 18 new bodyguards will soon travel to Venezuela for training. As some people have noted, the popular saying—having no debts means no fears—may not apply to any of the current ministers.

### FSLN Commander Ruiz Denies Split Within Front

*PA2702034591 Managua Radio Sandino in Spanish 1200 GMT 26 Feb 91*

[Text] Commander Henry Ruiz has denied the Sandinist National Liberation Front [FSLN] is splitting. Ruiz, member of the FSLN National Directorate, added that the people would not forgive the FSLN if it made the mistake of splitting up. Besides, there are no schisms in the party at present.

Ruiz made these statements in Monimbo on the occasion of the 13th anniversary of Commander Camilo Ortega's fall in combat on 26 February 1978 in (Los Abogales), Masaya. The following are the statements made by Sandinist leader Henry Ruiz:

[Begin Ruiz recording] Those who seek to divide the FSLN will be disappointed. I am convinced, fellow revolutionaries, that in our party there is no room for any double-faced people. One cannot manipulate the [word indistinct] in the name of a revolutionary program. Anything that is possible is revolutionary, and anything that can be carried out is political. That is the only way it is. Anything else is demagoguery.

The FSLN must be a party that will work for winning general elections in the future, and this does not mean that [words indistinct] from truth to demagoguery and from politics to petty politics. These are new ways, new methods for forming the tactics and strategies for victory in 1996, or even before. [applause]

I said I am convinced, as my brothers of the directorate are also convinced, of the following:

The FSLN split at a given moment some time ago, but the pressure of the people, the pressure of the revolutionary causes compelled us to unity. In 1977 and 1978 we were united, and we have spent many years united. There has not been a single split since then. Moises Hassan is a case that I think is not typical, because I very seldom saw Hassan violate his Sandinist ideals. He was a revolutionary of another school.

When I say Sandinism, I am referring to the people's awareness of a love for national sovereignty, of traditions, of the struggle of the people, of respect for the people's customs and traditions. That is Sandinism, that is to be a Sandinist.

[Words indistinct] and unity, and I am convinced that a division within the FSLN would be equivalent to erasing the FSLN from our history. That is why the enemy is struggling with all of its might and making use of its best resources to divide the FSLN, because a division would lead to its elimination from history. The people would never forgive the FSLN if it made this mistake. [end recording]

### Interview With FSLN Deputy Damaso Vargas

*PA2702201891 Managua EL NUEVO DIARIO in Spanish 25 Feb 91 p 4*

[Interview with FSLN Deputy Damaso Vargas, Sandinist Workers' Front (CST) regional secretary, by EL NUEVO DIARIO staff; place and date not given]

[Text] [EL NUEVO DIARIO] There is much talk about the upcoming FSLN [Sandinist National Liberation Front] congress. It has been said that there are various trends in the FSLN and that the Sandinist grassroots strength has decreased is some sectors. What is your opinion?

[Vargas] I believe the FSLN is restructuring its forces and revitalizing itself. How can I prove that the FSLN is reorganizing itself? You can see the enormous representation of the FSLN's historical program and how it faithfully expresses the interests of the masses. Now we can see groups of demobilized contras—most of whom are peasants, and groups of Sandinist militants or sympathizers who are organized in cooperatives or as individuals—joining the great battle to own land or demanding credits and acceptable living conditions. To whom are they making these demands? To a government that does not effectively represent their interests. I can see that the backward sectors of the bourgeoisie are

concerned about these demands. They are aware that there is a restructuring in the bases of the FSLN. Therefore, there are sectors that are interested in maintaining rifts between poor demobilized contras and poor Sandinist peasants and Sandinist sympathizers. They do not want these peasants to realize that their strategic interests, living conditions, land, health, and education unite them. They want the peasants to bicker over problems that do not help them in any way. There are also some bourgeois sectors, such as mayor Arnoldo Aleman and other groups of businessmen, who follow a policy of revenge so that the poor sectors do not realize what unites them strategically. They want the peasants to follow a policy of revenge against the FSLN for its past errors, trying to make them believe that Sandinism is the poor peoples' enemy.

This is the restructuring I am observing. I see it not only in the countryside, but also in the medical sector, which is an important part of our society. Traditionally, doctors have not participated much in the peoples' struggles. They have been accused of protecting very selfish interests. Now the doctors are leading a struggle intended to improve their living conditions. Fetsalud [Federation of Health Workers] is participating in this struggle to improve their living conditions. The FSLN and popular sectors are supporting the doctors' struggle. There is a restructuring process going on. In the end, the poor sectors, peasants, and workers will realize the kind of government they have. This will allow Sandinism to reactivate its forces and mobilize the masses for impending battles to defend the interests of these sectors and to achieve a political restructuring as we near the date of the elections.

Under the present circumstances, I do not see ripe conditions for a division in the FSLN. I believe conditions are ripe for the FSLN to become stronger because it is a sum of interests and social sectors that, in my opinon, it should continue to represent. In its broad spectrum of interests, it should effectively and with priority represent the interests of the masses. I believe the FSLN is a sum of ideas and values, but basically of interests of various sectors, in which the people's interests should prevail. The FSLN should represent the interests of workers, peasants, and humble sectors. But it should not forget that there are other sectors. The present conditions, the economic situation, and social development will not allow the FSLN to assume worker and peasant positions exclusively. We will have to put these interests ahead. However, we will also represent the other sectors.

[EL NUEVO DIARIO] There has also been talk about the FSLN's National Directorate expanding the number of members. Do you feel it should have more members.?

[Vargas] I think that a representative body must be looked for and this representation can be found within the current FSLN national directorate and others. I think the members are not important. What is important is an organization—based on working methods and on an organized leadership—that can lead the struggle of the people's sectors. The national directorate number can be increased or decreased. I do not think this is the root of the debate. What is basic here is that the organization that comes out of this congress be representative. I want to say that the representation at the congress will be determined by an ample debate within the rank and file. These debates should be carried by all the media—radio, television, and the press. The media should be used to allow the people, the FSLN activists and sympathizers, and the sectors or unions that oppose Sandinism to express their ideas so that a truly representative congress can be obtained.

As for the delegates, there should enough delegates to allow the departments, regions, municipalities, unions, and activists to be represented. Nevertheless, I insist that the fundamental issue here is that the rank and file, across the board, takes part in this process, in which the sympathizers can put across their ideas. The role of the media and the way in which the congress is conducted is important. Likewise, the members who head the commissions and who are in charge of consulting the rank and file must have a dynamic work program, with ample participation. This guarantees and permits the election of representative authorities.

[EL NUEVO DIARIO] As a labor leader, are you aware of specific proposals to be made by the workers?

[Vargas] What I have heard is that the union leaders—FSLN members who work in the company unions—have stated the need to maintain the Sandinist unity. They have said that Sandinism must maintain as top priority its political programs, the interests of the working class, and the interests of the peasants. This is our sector's opinion. The sector in which we work is very interested in the congress. This sector wants a program that will give top priority to their interests and needs. They also want to uphold Sandinist unity as a guarantee of the working class's individual and collective interests.

[EL NUEVO DIARIO] Given the rise of passions within the various FSLN trends, what do you think about the political extreme right's attitude in this regard.

[Vargas] Of course there are sectors that wish, that pray, and that are on their knees begging for a serious split within the FSLN. There are sectors that oppose the people's interests and wish for Sandinism to crumble into pieces. This idea has been expressed in LA PRENSA and in other media. However, these politcians and part of the burgeoisie, the Somocist sectors, that are now returning to the country will not see their wishes come true. I think that there is pressure from the Sandinist rank and file and from the activits and sympathizers.

The Sandinists are saying yes to a revolutionary program; they are saying yes to the defense of the people's gains.

[EL NUEVO DIARIO] Have you detected since the opening of the discussion any censorship in the Sandinist or revolutionary media or any attempt to block currents of opinion?

[Vargas] I believe this has been taking place not only now. There are still antidemocratic tendencies within the FSLN itself, and it seems there is no credibility for a permanent discussion among the Sandinists, who will make the FSLN a party linked to the people and determined to defend the people's interests. Therefore, we must still make a huge effort so that the Sandinist media reflect the people's feelings in a more dynamic manner. I believe some media directors are trying to be leaders of opinion and are only trying to achieve the results that interests them. There should be different opinions because that is the reality. I do not believe the media should only publish one-sided opinions as is the case in a local weekly. In any case, the policy that is being adopted with regard to the congress can be criticized. Obviously, the right wing media would like us to be divided into 1,000 tendencies.

[EL NUEVO DIARIO] As for the media that claim they are independent, how are they dealing with the topic?

[Vargas] I believe the independent media that have a national interest also support the people's interests. They can play an important role because they can help achieve a balance that is effectively needed. Therefore, it is important to discuss the various opinions because sometimes there are active members, who are criticizing the number of representatives (for the congress) and they have the right to express themselves, but there are also those who believe the number of people invited to the congress is sufficient, so both opinions should be presented. The important thing is the representation that will emerge from the active party members. For me, this is vital. There could be 400, 600, 1,000 delegates, but the important thing is the discussion among the rank and file.

### Commentary Analyzes Problems in Health Sector

*PA2702172191 Managua Radio Sandino in Spanish 1200 GMT 27 Feb 91*

[Unattributed commentary]

[Text] Where will the health sector's problems lead us? How responsible is the government in this case? How responsible are the doctors in this case? What about the people?

This is the sixth week of the hospital strike that has gradually resulted in the closure of hospitals under the Minsa's [Ministry of Health] responsibility. The basic demand presented by the doctors and other workers for a salary increase is considered just—even by the government officials themselves. The government says that it does not have the money to increase the workers' salaries and it has let time wear out the hospital workers. The people have been patient with the problems, but they are suffering more and more because the problem has yet to be solved.

The population has silently supported the workers' position because it understands the demands presented by the doctors and hospitals workers, who have had to withstand limitations at their work. The situation is becoming tense and the Minsa has failed to send medicine and food to the hospitals. This is aimed at exerting strong pressure so that the population blames the workers for the crisis, thus allowing the government to overcome the labor conflict.

The government is responsible for guaranteeing the people's health, and the government is responsible for providing a just salary for the workers. The government cannot enforce justice only by returning illegally confiscated land and assets; it cannot let time go on while the hospital problem worsens and leads to tense situations.

The plan to use the police batons failed to solve the conflict. The only solution would be a prompt in-depth negotiation. The government is currently evading the issue and this is tantamount to activating a time bomb. The government is responsible, first of all, for solving the hospital problem. The doctors are a secondary issue. They must both realize that the people come first.

## Panama

### Legislator Saez on Politicizing Canal Issue

*PA2702172791 Panama City Circuito RPC Television in Spanish 2300 GMT 27 Feb 91*

[Excerpt] Olimpo Saez, president of the Legislative Assembly Foreign Affairs Commission, said today that the issue of the Panama Canal is being politicized because the interests of the nation are involved.

[Begin Saez recording] The Panamanian people are capable of managing the canal past the year 2000. What is lacking is the political will to do things right. I do not believe that the issue is being politicized, but I see nothing wrong with politicizing the debate because the problem of the canal is closely linked to our country's history. Every Panamanian must have a say when discussing this problem, especially those who are in government, because they are the ones who are responsible for giving the orders here. The sad part of all this is that the political debate could turn into something negative—and we are beginning to hear negative remarks—and suggest that the Panamanians are not capable of managing the canal. [passage omitted] [end recording]

### Equal Benefits for All Canal Workers Demanded

*PA2702175091 Panama City LA ESTRELLA DE PANAMA in Spanish 26 Feb 91 pp 28 B12*

[Text] The Armed Forces Labor Union (Local 907) has issued a resolution in which it demands equal benefits for all Panama Canal area employees.

Resolution:

On the equality of benefits for all Panama Canal area and defense site employees.

Whereas:

1. The Republic of Panama and the United States of America signed a new Panama Canal Treaty on 7 September 1977, seeking a new relationship between the two countries.

2. The Panama Canal treaty, better known as the Torrijos-Carter Treaties, only took Panama Canal Commission [PCC] employees into consideration, as stated in Article X of those treaties.

3. Those Torrijos-Carter Treaties do not, therefore, mention or regulate the employment of Panamanian civilians by the U.S. Department of Defense (DOD).

4. The Panama Canal treaty ensures benefits for PCC employees, such as job stability, medical benefits for themselves and their relatives, early retirement, and the use of commission recreational installations and facilities. Our only hope is that DOD employees will be incorporated into the Benefit Plan granted to our PCC comrades.

We declare:

1. That it is understood that due to the Torrijos-Carter Treaties' failure to mention or regulate the personnel who work for the DOD, these employees will maintain their job status before, during, and after the Torrijos-Carter Treaties' expiration.

2. That since the DOD employees were not taken into consideration in the Torrijos-Carter Treaties, they will not have job stability after the year 2000.

3. That at the last minute, Panamanian civilian DOD employees were included, against their will and forcefully, in the Republic of Panama's retirement and medical services plan, thereby suffering a considerable decline in their medical benefits.

4. That in response to the forthcoming expiration of the Torrijos-Carter Treaties, it is necessary to negotiate with the DOD a new program of benefits and early retirement for all DOD employees, thereby compensating for the losses already suffered by these employees when the new Panama Canal treaty went into effect.

5. That the Panamanian DOD employees will demand that the U.S. and Panamanian Governments indemnify them for the loss of their jobs when the Torrijos-Carter Treaties expire, because they were not considered and are not protected by these treaties as were the PCC employees.

[Signed] Francisco Bermudez, adjunct secretary general, Local 907

Ray Bishop, secretary general, Local 907

## Union Questions Wisdom of Canal Reversion

*PA2802031591 Panama City LA ESTRELLA DE PANAMA in Spanish 26 Feb 91 pp A1, A2*

[Press communique issued by AFL-CIO Local 907 on 25 February]

[Text] In view of the recent official announcement of a planned reduction in force of 154 Panamanian employees who work on U.S. military bases, and the effect of this measure on national economy and the families of the employees to be dismissed, Local 907 hereby issues the following communique, which includes the latest statements by President Guillermo Endara and Foreign Minister Julio Linares regarding this situation.

Local 907, which represents 6,000 Panamanian employees working on U.S. military bases, has exhausted all means to make our government understand the extremely serious situation that will be created by the implementation of the Torrijos-Carter Treaties over the next four years. We also wish to state that our government, despite the many and serious talks, which resulted in President Endara's visiting our offices last year, has shown visible signs of indifference and acceptance of said problem.

When President Endara visited Local 907's office, he said, "I will speak with representatives of the U.S. Government so that there will be no dismissals, because Panama is not in a position to absorb the unemployed work force from the canal area. We have enough unemployment as it is. We do not want it to increase."

Therefore, it is amazing and discouraging to hear our government issue declarations once again, forsaking thousands of workers to a fate they do not deserve, like the 400 government employees dismissed in December 1990.

Not only do we note the government's indifference and lack of interest to seek solutions to the problem, but we see a secret attempt to hinder any initiative to discuss the issue. Some government officials who have expressed their concern and tried to explain the situation have been severly criticized and insulted by the government. These officials have never questioned the capacity nor reliability of the Panamanian professionals, nor Panama's good will and intentions of assuming the management of the canal and its military installations.

These officials and Local 907 foresee the dire consequences the reduction in force would cause to all Panamanians. The dismissals would not only affect the employees, but would have a negative chain reaction effect of catastrophic results on national economy. We must bear in mind that the salaries earned by the employees revert completely to and strengthen the national economy and markets. These salaries and revenues amount to about $315 million yearly.

We must also mention tourism, hotels, apartment buildings, maids who earn their salaries working for the military personnel, the Panamanian Indians who earn

their living working for concessionaires on the military bases, and contract workers.

We must also bear in mind the administrative work force of Local 907, whose salaries depend entirely on permanent employees of the U.S. Government.

This is what the government officials that we mentioned were referring to. Once again, Local 907 approaches our government urgently, hoping it will understand and realize the seriousness of this critical situation that the U.S. Government is already starting to implement. A delegation from our board of directors will go to Washington soon to meet with representatives of the American Federation of State, County, and Municipal Employees to explain our position to all the labor organizations to which Local 907 is affiliated throughout the world.

Finally, we would like to mention the many telephone calls Local 907 has received supporting its position. Our government has repeatedly said that at last there is a democratic government in Panama. In view of the great uncertainty as to whether or not the U.S. military bases will remain in Panama, Local 907 suggests that the problem be solved in a national referendum in a truly democratic way.

By the time this communique is published, the U.S Government will have implemented the decision that will affect 750 Panamanian families.

These dismissed employees will inevitably form part of our large unemployed work force, without any hope of getting a job with the government or private enterprise.

Meanwhile, the government continues its public debate on whether it is able to assume the responsiblity of the military installations that will revert to Panama before the year 2000.

[Signed] Francisco Bermudez, assistant general secretary Ray Bishop, secretary general

### Munition-Filled Tunnels Found Near Rio Hato

*PA2702035191 Panama City CRITICA LIBRE in Spanish 20 Feb 91 pp 1, 22*

[By Juan Pritsiolas and Justino Gonzalez]

[Text] Explosive mines, mortars, food, and medicines have been found in five underground tunnels built near the Rio Hato military base. These tunnels were built to shelter the elite "Macho de Monte" company of approximately 250 men, who were to fight the U.S. Army invasion.

According to a Panamanian intelligence source, these tunnels, some with an outlet to the sea, were built during the regime of deposed General Manuel Antonio Noriega.

The same source told CRITICA LIBRE that the tunnels were to be Panama Defense Forces [FDP] control and command posts during its struggle against the invading U.S. troops.

The underground tunnels are located approximately 6 km from the Rio Hato military base, which was the headquarters of the Macho de Monte Company, a mechanized armored company, and two military training centers. The tunnels and several observation posts in the trees were found in a remote jungle-like area.

It was reported that all the FDP "guerrilla war" tactics to confront the imminent invasion would have been carried out from these tunnels.

The source stated that, according to several officers who are currently under arrest, several of the FDP commandos had been trained in Cuba and that this country had supplied Noriega with a large amount of Soviet AK-47 assault rifles.

Noriega had ordered that a guerrilla movement be organized after an eventual U.S. invasion. The group was to be called the Organization for the Liberation of Panama, and it would be headed by Captain Asuncion Eliecer Gaitan, head of his security guards.

Former Lieutenant Lenin Miranda would have been one of the commanding officers at the control and command center that was to be located in these tunnels.

The "Macho de Monte" combat company was to leave the tunnels at nighttime to attack key U.S. posts, and return to hide there during the day. The tunnels have five openings, and one of them leads to the sea.

These tunnels are similar to the ones used by the Vietcong during the Vietnam war, the source added.

## Argentina

### Duhalde Comments on Pardons, Menem, Situation

*PY2602161691 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0015 GMT 25 Feb 91*

[Text] Buenos Aires, 25 Feb (NA)—Vice President Eduardo Duhalde has said that the decision to pardon common criminals reflects a "total lack of wisdom," "because in the middle of this political storm this measure seems to have been suggested by our political adversaries."

Duhalde said President Carlos Menem is under "great pressure" and that, at a time "when he should have received the advice of qualified, capable assistants, he was surrounded by people who took problems to him and advised him to adopt absolutely inappropriate decisions."

"I saw myself that President Menem was desperately trying to learn whether the report on the signing of the pardons was true, because he could not remember it," Duhalde said.

In statements to (?Radio Mitre), however, Duhalde said the decision had already been made in December, when the members of the former military juntas were pardoned, although he noted that this was not the right time to enforce the decision.

Duhalde reported that in the next few days he will accompany Menem on several tours of the interior of the country "in an effort to put an end to the rumors that crop up whenever there is a crisis like the current one."

"I believe it is inappropriate to stir up rumors, because in difficult times we should help the president, particularly when the people are clearly skeptical," he stressed.

Regarding the situation in the government, Duhalde said: "If I do not agree with a measure, I always have the chance to immediately speak with the president, with whom I have good relations."

"I cannot be so arrogant to believe that I am right whenever the president does something with which I do not agree," he said.

Concerning [words indistinct] in Buenos Aires Province, Duhalde said his position is "to cooperate with the party to choose the best candidates," and he stressed that he has "never" abandoned active politics and would not do it now.

### Controversy Over Montonero Pardons Revealed

*PY2602222191 Buenos Aires BUENOS AIRES HERALD in English 25 Feb 91 p 7*

[Text] (NA-DYN)—Justice Undersecretary Leon Arslanian and the new Presidential Legal and Technical Secretary Jorge Maiorano will today officially assume office after the controversial resignations of Cesar Arias and Raul Granillo Ocampo provoked by the presidential pardon benefiting common and dangerous criminals.

Maiorano and Arslanian will be sworn in by President Carlos Menem and Education and Justice Minister Antonio Salonia at 6pm [2000 GMT] in Government House, a move which it is hoped will aid the government to halt the increasing erosion of its public image.

During an interview with journalists, Arslanian admitted that when Menem announced the December 30 pardons for the military and ex-Montonero leader Firmenich, "many of us did not agree with them." He also expressed the opinion that what has been done until now to combat corruption "is of no use at all."

Arslanian, who described himself as a "selective Peronist," said that he did not take part in any Justicialist factional politics but admitted that he had a "good relationship" with Senator Eduardo Menem and presidential chief-of-staff Eduardo Bauza.

In separate statements, Salonia considered it "difficult" to reverse the pardons decreed last week because "once issued, they constitute perfect documents which cannot be reviewed." Salonia also admitted being to some extent responsible for the pardons but claimed that he did nothing except endorse the document which came from the prison authorities.

Nonetheless, Menem has already issued his first instructions to newly-appointed Maiorano, asking him to review the pardon decree to determine "if it has sufficient legal basis."

Maiorano in turn has said that he will begin this task either today or tomorrow when he is fully in charge. He also made a veiled criticism of the secretariat under his predecessor Granillo Ocampo, who was relieved of office together with Arias after the controversial pardon.

"The government is facing a different relationship with Congress now and it will lose importance when responding to necessary or urgent decrees, which in some way or other are advancing over parliamentary legislation."

Granillo Ocampo's position was further being seriously questioned when he left office because the conflict generated after the removal of National Administrative Investigations Bureau head Ricardo Molinas.

### Justice Under Secretary Says 'No More Pardons'

*PY2702213491 Buenos Aires BUENOS AIRES HERALD in English 26 Feb 91 p 1*

[Text] (NA-DYN)—While swearing in three new officials, President Carlos Menem yesterday asked Congress to pass reforms to the Criminal Code and to change the ministries law to create a justice minister, which he believe "absolutely necessary" to the government's programme.

The ceremony, which saw Jorge Luis Maiorano swear in as the new presidential legal and technical secretary, Leon Arslanian as justice undersecretary and Alberto Garcia Lema as treasury prosecutor, was also used as an opportunity for an improvised conference with representatives of the three branches of government and the press by the Head of State.

The President also took the opportunity to thank the outgoing officials Raul Granillo Ocampo and Cesar Arias for their "brave contributions" whilst in government.

In turn, Arslanian promised that "there will be no more pardons for some time," and warned that the use of the instrument had to be "restrictive" so as not to clash with the other constitutional powers.

He also claimed that the possibility of a review of the last pardons, given to common and dangerous criminals, is being studied.

### Minister Views Post-War Gulf Involvement

*PY2702210291 Buenos Aires BUENOS AIRES HERALD in English 27 Feb 91 p 11*

[Text] (NA-DYN)—Defence Minister Antonio Erman Gonzalez yesterday began his journey to the Persian Gulf together with Navy Chief-of-Staff Jorge Ferrer to swear in the new commanders of the two ships in the area and with the intention of discussing "with the Kuwaiti Government-in exile" the possibility that private Argentine businesses "take part in the reconstruction" of their country when the war has drawn to a close.

Before leaving, in statements to Radio America, the minister said that "we will initiate talks with the Kuwaiti authorities somewhere in Saudi Arabia, so that we can participate not only in the tasks requested by the United Nations but also in the reconstruction .... so as to be prepared and so as to analyze which are the areas in which Argentina can participate or collaborate with greater efficiency and also with business objectives."

He also confirmed that the Argentine presence in the region was of a permanent character and that it was being viewed from all angles as a very positive move.

"It is a demonstration that Argentina does not only make condemnations, but with concrete actions is participating and wishing to integrate itself in the new world order which is being generated not only on the economic plane but also on the geopolitical," added the minister.

### IMF Pressure on Government Reportedly Growing

*PY2502234891 Buenos Aires BUENOS AIRES HERALD in English 25 Feb 91 p 7*

[Text] (NA-DYN)—The demands of the International Monetary Fund (IMF) for a significant fiscal surplus as a condition for a new stand-by loan to Argentina are a major factor in the government's economic planning, reliable sources said yesterday.

This month Argentina has paid some 600 million dollars to meet overseas commitments out of its Central Bank reserves because of a 270-million-dollar deficit when the IMF would like to see these commitments met out of a Treasury surplus of between four and six percent of the Gross Domestic Product (GDP).

This would oblige the government to carry out both an all out crack down on tax evasion and spending cuts. The government is planning to save the equivalent of one month's tax revenue by streamlining the civil service, the left-of-centre daily PAGINA 12 claimed.

The IMF negotiating team, headed by Chilean Armando Linde, also demands that privatization earnings be exclusively used for buying back foreign debt and does not want to see Central Bank reserves fall below their current three billion (thousand million) dollars.

The government is seeking approval of a 1.4-billion-dollar stand-by loan from the IMF by April.

In related news, Deputy Economy Minister Carlos Sanchez denied that a economic plan was being prepared for the end of March, as many businessmen are expecting, or that there were any "magic programmes to solve problems from one day to the next." He further denied forecasts that the dollar would reach 12,000 australs by next month, saying there was no reason for a sudden jump.

However, Sanchez told the mass circulation daily CLARIN that the government was reorganizing the Argentine economy and would apply financial measures to ensure cheaper credit for the productive sector.

Despite Sanchez' denials, there were reports in the newspaper LA NACION that the official was working on a plan at the head of two working groups—one headed by Banco Nacion president Aldo Dadone which was appraising long-term objectives and another for short-range goals chaired by Central Bank president Roque Fernandez and also including Sanchez and Treasury Secretary Saul Bouer.

This plan will aim at deregulating the labour market, providing short-term credit for agriculture and industry, reforming the banking system and simplifying taxation into three levies.

But these broader objectives would depend on the government's credibility achieved via short-term success in reducing inflation and chalking up a fiscal surplus.

A report by the ADEBA (Association of Argentine Banks) indicates that falls in real wages and economic activity are the price of a healthier exchange rate and relative price structure. ADEBA said that the government had been unable to improve the exchange rate without resorting to a major devaluation and a big increase in the cost of living. The report also commented

that Economy Minister Domingo Cavallo had made a rapid increase in tax revenue one of his top priorities in order to maintain the ratio between money supply and reserves.

Finally, grain dealer Marcelo Lanusse has forecast a harvest of 23 million tons this year. He thought that Brazil and Iran could be among Argentina's main customers.

### Institute Reports 1990 Export, Import Statistics

*PY2502233691 Buenos Aires BUENOS AIRES HERALD in English 24 Feb 91 p 5*

[From the "Business World" column]

[Text] (DYN)—Argentina exported around 7.9 billion dollars more than it imported in 1990, the National Institute of Statistics and Census announced yesterday. The trade surplus was almost 47 percent up on the 1989 figure. The figures show a deterioration in the surplus towards the end of the year as a result of the increasingly overvalued dollar. Most important exports were vegetables; most important imports were chemical products followed by machinery and electrical equipment.

## Bolivia

### Labor Minister Comments on Talks With COB

*PY2702134091 La Paz La Red Panamericana in Spanish 0000 GMT 27 Feb 91*

[Excerpts] In remarks at Government Palace today, Labor Minister Oscar Zamora Medinacelli said the government has made great efforts to meet the demands of labor but cannot indulge in excesses that will jeopardize the country's economic stability. He admitted that there are labor sectors that are trying to (?scuttle) the talks with the government so that the coordinating board formed by opposition political parties will begin to operate.

The labor minister noted that the government has accepted several points raised by the Bolivian Labor Federation [COB] in keeping with the state's economic possibilities. [passage omitted]

Labor Minister Oscar Zamora said in conclusion that the talks with the COB will continue on 28 February.

### * Five-Year Investment Plan for Mining Sector

*91SM0190A Cochabamba LOS TIEMPOS in Spanish 20 Jan 91 p B3*

[Text] La Paz (ANF)—The national unity government will invest $126,800,000 from now until 1995 in executing a plan to overhaul and bolster state-run, private, and cooperativized mining.

Of this total investment amount $68,700,000 will come from foreign sources, while the remaining $58,100,000 will come from domestic efforts, according to the official report submitted by the Ministry of Mining and Metallurgy. The master plan on which the mining-metallurgical plan is based will seek to prevent the collapse of traditional mining by preserving its production base and laying the groundwork for structural change in domestic mining.

According to a previous diagnosis, the infrastructure of the country's state-run mining sector is fragile, owing basically to the lack of modern administration, technology, and financing sources and to the "need to embrace change in current work systems so as to set the country's economic growth on the right road."

In the face of this predicament, the plan seeks in general to support three efforts: the rehabilitation of COMIBOL [Mining Corporation of Bolivia], the strengthening and modernization of the sector's institutions, and support for small-scale and cooperativized mining.

The guidelines of the current administration's mining-metallurgy policy aim primarily at organizing joint ventures in COMIBOL; this also entails a sweeping reorganization of COMIBOL, by eliminating uneconomical mining and metallurgy operations, or, when appropriate, revamping them to ensure financial surpluses.

It will also seek to reorganize the Ministry of Mining and Metallurgy and the institutions under it, to expand prospecting and exploration in joint ventures with private capital, and to attract private domestic or foreign financing.

#### Financing

The outside financial support comes from loan 2013-BO, backed by the World Bank, the Inter-American Development Bank, and bilateral sources of agencies and friendly governments.

Domestic financing comes from several production institutions and from the General Treasury of the Nation, the official report from the Ministry of Mining and Metallurgy explains.

"Because it is a five year program that seeks to expand the mining sector, it includes private participation in COMIBOL operations, loans to private and cooperativized mining, and industrial-safety and environmental-protection programs," the ministerial report notes.

### * Funds Allocated for Comibol Restructuring

*91SM0190D Cochabamba LOS TIEMPOS in Spanish 22 Jan 91 p B3*

[Text] La Paz, 21 Jan (ANF)—The government has committed itself to investing $90.6 million to carry out efficiently the plan to overhaul the Mining Corporation of Bolivia (Comibol), according to a news bulletin from the Mining and Metallurgy Ministry. The official report indicates that $49.4 million will come from foreign sources and $41.2 million from the efforts of the enterprise itself and the General Treasury of the Nation.

One of the plan's basic goals is a sweeping overhaul of Comibol so as to adapt it to new economic conditions, both foreign and domestic, by seeking to establish efficient and profitable mining operations.

Owing to the previous administrative decentralization plan, the current administration has decided to support the expansion policy, with private participation in the operations of the state-run mining enterprise under the system of joint ventures.

This also means the shutdown of the mining centers that are not in a technical and financial position to be overhauled, and it also means the establishment of direct management in the mines with a profitable mineralogical potential.

The report adds that in the case of the mining districts that do not allow for direct Comibol management of their operations, "an attempt has been made to lease them to cooperatives, with preference given to former enterprise workers."

**Accomplishments**

In spite of the difficult economic and financial situation facing the enterprise, the report adds that "Comibol has signed major contracts for the development of idle mineral resources with domestic and foreign firms, contracts that in their production phase will substantially improve the economy of the enterprise and the country, in accordance with a mining policy outlined in supreme decrees 22407 and 22408."

It goes on to say that Comibol has begun its own efforts to overhaul the antimony and low-grade tin smelters with an eye towards their bottom-line profitability, and it has started up the Colquiri mine to produce concentrates of zinc, silver, and tin.

## * 1991 YPFB Budget Set at $353 Million

*91SM0190F La Paz HOY in Spanish 20 Jan 91 p 7*

[Text] The budget of Bolivian Government Oil Deposits (YPFB) has been set at $353 million, with investments of $182 million and external-debt payments of around $50 million, the administrative vice president of the country's leading oil company, Manuel Olave, explained.

The YPFB executive indicated that investments must be undertaken resolutely in order to overcome the deficit that will be posted in 1991, as revenues are estimated at $350 million and outlays at $353 million.

Olave said that since the YPFB's number one growth priority is to secure funding, investment this year would total $182 million, $97 million from YPFB itself and $85 million from outside support.

He added that the enterprise's investment proposal to the government is divided into two areas, exploration and development, $71 million for the former and $58.46 million for the latter, at a price of $19 a barrel.

He clarified that YPFB intends, as a complement, to decrease investment in less important areas and to inject funds into the areas that will yield greater profits.

In disclosing the YPFB goals, he indicated that the enterprise would recommend to the government that it turn over the same amount of revenues to the General Treasury of the Nation as in 1990, that is to say, $92.9 million from sales of gas and $236 million from sales of fuels on the domestic market.

The budget that will be submitted to the National Congress, however, provides for $323.4 million in gas sales and $1.1875 billion in fuel sales on the domestic market, a difference of $230.5 in the first case and $951.5 million in the second.

Olave revealed that there is interest in exploring and developing the northern part of the country, where investments of $18 million are estimated to be needed, as well as the high plateau, for which $8.5 million would be allocated.

**Foreign Debt**

As for the foreign debt, he contended that in 1990 $21 million was paid back, $7.9 million in principal and $13.1 million in interest. The estimate for this year is that twice as much will be paid back, as the president of the enterprise, Rafael Pena Parada, had announced.

He asserted that an effort would be made to reschedule the foreign debt on which repayment must begin in 1992-1993, inasmuch as YPFB cannot pay this back at present and will thus have to boost its revenues.

As of now the foreign debt consists mainly of loans from the World Bank, the IDB [Inter-American Development Bank], and the Andean Development Corporation. A rescheduling is being requested because the disbursements were delivered long after the loans were signed for.

**Royalties**

Later, listing the royalties paid to the regions in 1990, he noted that they totaled $30.229 million, matching the 34 percent in obligations that the YPFB has in this category.

The following is an itemization of the royalties:

**Royalties**

| Department | Percentage of Royalties | Royalties in Dollars |
|---|---|---|
| Santa Cruz | 11 | $14,000,000 |
| Chuquisaca | 11 | $ 8,000,000 |
| Tarija | 11 | $ 5,700,000 |
| Beni | 0.66 | $ 1,700,000 |
| Pando | 0.33 | $ 829,000 |
| Total | 34 | $30,229,000 |

### * Figures on 1990 Hydrocarbons Production

*91SM0190C La Paz LA RAZON in Spanish 25 Jan 91 p 15*

[Text] (ANF)—The country produced 10,211,800 barrels of liquid hydrocarbons in 1990, including the output of Bolivian Government Oil Deposits (YPFB) and from contractors: Tesoro, Occidental, Sol Petroleo, and Perez Companc.

The average daily output last year was 27,977 barrels of condensed oil, natural gas, and liquefied petroleum gas.

The highest output came in December, 961,200 barrels, with a daily average of 31,006, according to a YPFB statistical report.

The domestic output of liquid fossil fuels breaks down as follows:

**Oil Industry Output**

| Month | YPFB Production | Contractors | Total |
|---|---|---|---|
| January | 706,600 | 114,000 | 820,600 |
| February | 615,600 | 110,700 | 726,300 |
| March | 669,400 | 112,700 | 782,100 |
| April | 640,400 | 109,600 | 750,000 |
| May | 677,800 | 123,000 | 800,800 |
| June | 722,100 | 107,100 | 829,200 |
| July | 764,000 | 133,300 | 897,300 |
| August | 801,900 | 132,100 | 934,000 |
| September | 779,000 | 122,100 | 901,100 |
| October | 808,800 | 115,300 | 924,100 |
| November | 774,300 | 110,900 | 885,200 |
| December | 826,500 | 134,700 | 961,200 |
| Total | 8,786,300 | 1,425,500 | 10,211,800 |

The YPFB's production of liquid hydrocarbons totaled 8,786,300 barrels, while the contractors put out 1,525,500 barrels.

## Brazil

### World Bank Wants Flexibility in Negotiations

*PY2702020891 Rio de Janeiro O GLOBO in Portuguese 26 Feb 91 Economic Section p 33*

[Text] Brasilia—At a luncheon at Itamaraty yesterday, World Bank (BIRD) [International Bank for Reconstruction and Development] President Barber Conable said Brazil needs to be more flexible in negotiating its foreign debt if it wants new loans. According to him, Brazil cannot allow problems such as the debt to reduce its potential to grow and to increase its participation in the international economic community.

Conable met with President Fernando Collor in the morning. They discussed Brazil's economic development and possibilities for obtaining financial assistance from the World Bank. In a meeting between Economy Minister Zelia Cardoso de Mello and Conable, Clodoaldo Hugueney, director of the Economy Ministry's International Affairs Department, said there is a serious imbalance in relations between the BIRD and the Brazilian Government. Hugueney said the amount of money transferred by Brazil to the bank last year was $1 billion (222.2 billion cruzeiros at the commercial exchange rate) more than the resources received to finance projects. In response, Conable said he will personally review the Brazilian Government's requests for loans.

### Rezek Voices 'Surprise' Over Piva Offer to Iran

*PY2602143891 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Feb 91 Second Section p 3*

[From the FOLHA DE SAO PAULO bureau in Brasilia]

[Text] Foreign Minister Francisco Rezek said yesterday he received with "great surprise" the news that [Retired] Brigadier Hugo Piva had offered to assist Iran in the construction of long-range missiles.

Rezek said he considered it "regrettable that an Armed Forces reserve officer was not concerned, at least, about becoming familiar with his government's political directives with respect to the development of his entrepreneurial activities."

According to the foreign minister, the government "recommends" that businessmen consult diplomatic channels whenever a trade deal involves other countries. Rezek said Itamaraty has not received any report from Brigadier Piva announcing his goals.

According to the minister, Itamaraty cannot impose any sanctions on Piva. He said this is an issue for the Armed Forces. This episode, meanwhile, "reinforces the need to create a system that will regulate relations between private enterprises and foreign governments."

### * Trade Losses From Gulf Crisis Projected

*91SM0177B Rio de Janeiro O GLOBO in Portuguese 13 Jan 91 p 45*

[Text] The fragments from the bombs that will be dropped on Iraq if there is war in the Persian Gulf may fall squarely on Brazil's foreign trade and put a hole amounting to nearly $1 billion in our exports to that region. The damage may be even greater if Brazilian exporters are unable to redirect products made specifically for that market to other countries. Examples of such products are chicken cut according to the Islamic rite, corned beef (processed beef whose consumption is practically restricted to that region), and even wood that is classified differently and sold at different prices in other countries. Experts on foreign trade believe that of the products exported to the Middle East, only tubing, steel, and automobiles may find buyers in other markets.

Despite impending war, the trading companies that export to the Middle East have not suspended shipments scheduled for the next 30 days. Marco Antonio Charpentier, director of foreign trade at the Arbi Trading Company, reports that a shipment of 10,000 metric tons of chicken to Saudi Arabia is scheduled for February. He declined to state the name of the exporter or the value of the shipment.

"So far, the importer is not worried and has not suspended the request for shipment. But we do not know whether we will be able to ship the product after the 15th," says Charpentier.

In the director's opinion, Brazilian exports of manufactured products (chicken and corned beef, for example) will be seriously affected if war breaks out in the region. The first effects of the crisis, according to Charpentier, will be an explosive rise in freight rates to the Gulf and economic disorganization in the local countries.

The situation is no different at the MBR (Brazilian Mines Association), whose annual exports of 1 million metric tons of iron ore to Saudi Arabia and Bahrain generate a billing of $25 million (4.6 billion cruzeiros at the commercial rate of exchange). That provided about 6 percent of the firm's revenues last year.

The MBR's sales manager, Hugo Stoffel, believes that if there is a war, access to those countries may be cut off, in which case ore exports will be impossible. A shipment is scheduled for February, and so far it has not been suspended. Stoffel feels that the international ore market is very unfavorable at the moment and therefore not likely to provide an alternative export market for the commodities usually sold to the Middle East.

"It will be very difficult to redirect our foreign sales because there is not enough international demand to absorb the ore ordinarily sold to that region," Stoffel points out.

**Exports to Middle East**

| | In millions [unit not specified] | |
|---|---|---|
| Country | Jan-Oct 89 | Jan-Oct 90 |
| Saudi Arabia | 175 | 174 |
| Iran | 225 | 354 |
| Iraq | 282 | 110 |
| Arab Emirates | 54 | 56 |
| Kuwait | 45 | 23 |
| Israel | 32 | 31 |
| Jordan | 26 | 16 |
| Total | 839 | 764 |

Tractors, automobiles, meat, and chicken are some of the main exports to the Middle East. The drop in sales to that region began in August, when the United Nations imposed the trade embargo on Iraq and Kuwait.

Source: Foreign Trade Coordinating Office, Bank of Brazil.

**Sales Will Have To Be Redirected**

Besides the crisis in the Gulf, the combination of a recession in the United States and the economic slowdown predicted for the European and Asian countries may cause an additional headache for exporters trying to sell their products on those markets. What makes the situation worse is the fact that if there is a war, Brazil will need more foreign exchange to offset higher spending on petroleum. In that situation, Brazilian products will have to carry more attractive prices because the competition in world trade is going to be tough.

Marco Antonio Charpentier, director of foreign trade for the Arbi Trading Company, believes that the U.S. recession is going to do great harm to exports because nearly 50 percent of Brazil's foreign trade depends on that market. According to him, the difficulties will start making themselves felt this May, because a reduction in purchases is already being noted now, in January. The temptation then will be to try to sell manufactured products such as cast steel, shoes, and commodities on the European market at more competitive prices.

The chairman of the Association of Brazilian Exporters (AEB), Pratini de Moraes, says that if Brazil has to redirect its foreign sales to other markets, Latin American and African countries will come to occupy a more important place in exports, and the sector will need interest equalization and lines of financing.

## * Arms Industry Seeks Joint Ventures

*91SM0176B Sao Paulo FOLHA DE SAO PAULO in Portuguese 6 Jan 91 p A9*

[Article by Roberto Lopes: "In Crisis, Arms Industry Seeks Foreigners"]

[Text] President Fernando Collor de Mello's noble words about foreign capital and the financial difficulties of the domestic arms industry had the effect of increasing the number of negotiations between domestic and foreign arms firms during 1990 for the purpose of forming joint ventures.

In Brasilia, the military ministries are monitoring the growth of that trend, and FOLHA DE SAO PAULO has learned that in response to the difficult economic situation, the xenophobia of many military commanders has simply shriveled. To be sure, some are resisting. One of those insisting on the need for military products developed solely by Brazilians is Admiral Mario Jorge Braga, director of the Navy Research Institute—a highly regarded officer who was recently honored by the Brazilian Association of Defense Materiel Industries.

One joint venture that has withstood the country's bad economic weather is DFV [D.F. Vasconcellos]-Pilkington, the company resulting from the merger between D.F. Vasconcellos (a Sao Paulo manufacturer of optical equipment) and Pilkington Optronics of Great Britain. That merger will enable the DFV to develop night vision goggles, telescopic sights, field glasses, and periscopes for tank crews.

But joint ventures are putting the capabilities of domestic industry to the test, and that is causing problems. The Aerospace Technology Center (CTA) has discovered shortcomings in the 30mm cannon that the Sao Paulo firm of Bernardini has been producing with technology provided by Israel Military Industries (IMI) and based on the French DEFA [Directorate of Weapon Studies and Production] cannon. Those weapons are intended for use on the AMX strike aircraft purchased by the Brazilian Air Force.

The cannon barrels are coming off the production line warped. When the contract was being worked out, the IMI advised against producing the barrel in Brazil. Bernardini argued that by manufacturing the barrel, it would increase the domestic content of the cannon to about 45 percent, whereas if that component were also imported, the domestic content would drop to 15 or 20 percent, and it decided to take the risk. The first deliveries were two years behind schedule, and even they included the defective barrels. The IMI agreed to send one of its experts to Brazil to provide assistance, but Bernardini announced that it could not afford the $8,000 needed to cover travel expenses.

The first Brazilian AMX aircraft are flying with cannon imported from Israel (one of them has only a piece of iron in place of the cannon to make up the total weight of the aircraft). It has been nine months since the Ministry of Aeronautics has passed along to Bernardini the imported cannon parts arriving from Israel. But the domestic company has been given three more months in which to solve the problem with the barrel. After that, it may be declared in breach of contract.

The British are more persistent and interested than anyone else in the Brazilian arms industry. At the start of 1990, the British firm Royal Ordnance even signed a contract with FI [expansion not given] Industry and Commerce—the main supplier of ammunition to the Navy—to manufacture medium- and large-caliber ammunition. That deal fell through before the first six months of the year were out—when the Navy announced that it was taking over FI to straighten out irregularities in management. Royal Ordnance has not given up—it is now studying the possibility of forming a joint venture with Imbel [War Materiel Industry]—the holding company for the Army's former industrial operations.

At Army headquarters in Brasilia, even the talks concerning Imbel are not as important as rescuing Engesa [Specialized Engineers, Inc.], the Sao Paulo company which modernized the ground force's motorized (trucks and jeeps) and mechanized (armored vehicles) fleets and which has been in receivership since the start of the year with no prospects of recovery. Over the past seven months, Engesa has tried to interest the British group British Aerospace in a joint venture. Royal Ordnance's adviser in Brazil (Royal Ordnance belongs to the British Aerospace group) has issued an unfavorable opinion of that deal, but the Army is still hoping.

## * Military Steps Up Pace of Administrative Reform

*91SM0176A Brasilia CORREIO BRAZILIENSE in Portuguese 13 Jan 91 p 9*

[Article by Joaquim Monteiro: "Armed Forces Step Up Administrative Reform"]

[Text] The Ministries of Army and Aeronautics are starting the year by stepping up the pace of their administrative reforms. The Army has set up the Ground Operations Command (Cotex) to centralize the ground force's operational activities in peacetime and wartime, thus taking some of the burden away from the Army General Staff.

The new system can step in with rapid and centralized action to provide administrative coverage for two major brigades (infantry and aviation), two artillery groups (coastal and antiaircraft), and the General Inspectorate of Military Police (IGPM), all of which are units commanded exclusively by general officers. Last year the Army moved up the discharge date for about 35,000 enlisted men and released them one month before the normal expiration of their military service, and it will continue that practice this year.

Minister of Aeronautics Socrates Monteiro has ordered the transfer from Rio de Janeiro to Brasilia of four sectoral departments headed exclusively by four-star generals. He has also suspended enrollment in quartermaster and infantry courses at the Air Force Academy (AFA) and authorized studies aimed at selling off buildings currently occupied by corporals and stewards. On the 9th of this month, he deactivated the Institute of Research and Development.

More civilian and military temporary employees are to be added to the layoff list as a means of cutting back on the administrative machinery in compliance with the guidelines set forth in President Fernando Collor's economic plan, which is now moving in new directions in the fight against inflation.

### Drastic Budget Cuts

Because its activities include not only defense of the airspace but also a broader range of civilian services, the Ministry of Aeronautics is going to receive 139.9 billion cruzeiros from the Federal Government for this year. According to advisers on Minister Socrates' staff, that amount will cover only 40 percent of the projected

expenditure in the areas of personnel, research, equipment maintenance, and expansion of airports and of the DACTA [Air Defense and Air Traffic Control] system.

Under the federal budget for 1991, the Navy will receive 116.3 billion cruzeiros (at May 1990 prices), although Navy authorities requested three times that amount. Under the scaled-down allocation of those funds, 48.7 billion cruzeiros will be used for personnel expenditures, 15.1 billion will be used to pay debt principal and interest, 13.6 billion will be used for investments, and 39.9 billion are earmarked for other current capital commitments. According to Minister Cesar Flores' staff, the cuts in funds have resulted in cutbacks in the following programs: Navy modernization (new ships), maintenance of the existing fleet, and technological development.

Of the 129,721 million cruzeiros approved by Congress for the Army, 65,804 million will be spent on projects underway, chiefly continuation of the FT-90 (Ground Force 1990) program, which is now becoming FT-2000 [Ground Force 2000]. The War Material Industry (Imbel) will receive an injection of funds totaling about 2.54 billion cruzeiros—far less than the 4.768 billion cruzeiros in investments that had been expected. All those amounts are estimated figures calculated at May 1990 monetary levels.

**Austerity Keynote of 1990**

The ground force received about 42 billion cruzeiros for all of 1990, and the budget revision provided it with only 12 billion cruzeiros. In order to survive on those meager funds, Minister Carlos Tinoco authorized a reduction of 143 million cruzeiros in spending on study courses and other training and instruction activities abroad. And 83 million cruzeiros were cut from the budget for study courses, training courses, travel, competitions, and related activities. Cuts in the food budget for the barracks resulted in savings of 1.4 billion cruzeiros.

The sale of 500 vehicles brought in 70 million cruzeiros, and the fuel bill was reduced to 560 million cruzeiros, or half the amount spent the year before. The early discharge of enlisted men resulted in a savings of 600 million cruzeiros.

Although it is the military institution with the widest range of civilian-related activities, the Ministry of Aeronautics was also the military institution that totted up the largest reduction in direct and indirect administrative spending.

Of the measures adopted by the minister of aeronautics last year, the most important in terms of objectives were the cutback in missions by the operational sector of the FAB [Brazilian Air Force] and in travel of a technical and administrative nature and study courses abroad, resulting in a savings of approximately 82.5 million cruzeiros.

All examinations for admission to institutes of higher military training were temporarily canceled, and Minister Socrates authorized the release from the service of 59 temporary officers and 74 members of the Women's Reserve Corps. The sale by the Ministry of Aeronautics of 177 vehicles in 1990 brought in 85 million cruzeiros.

## * Avibras Arms Firm Resumes Payments on Debt

*91SM0176C Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Jan 91 Economic Section p 11*

[Article by Francisco Pereira: "Avibras Begins Paying Debt"]

[Text] Sao Jose dos Campos—The arms firm Avibras Aerospace Industry, Inc. will begin paying what it owes on Monday, thus holding off the specter of bankruptcy temporarily. The firm is to deposit about 2 billion cruzeiros with the Sixth Civil Court in Sao Jose dos Campos. That represents 40 percent of the total it will have to pay by January 1992 (4.6 billion cruzeiros) to get out of receivership.

The firm's attorney, Nelson Marcondes Machado, said yesterday that with the "payment of the first portion of the debt, Avibras is honoring its promise to the court to pay off its debt within two years." The firm filed for protection from its creditors on 5 January 1990, and at the time, its liabilities were calculated at $450 million. Marcondes said that the debt to be paid by the firm represents only part of its liabilities. The firm's debt was frozen when it went into receivership. In addition to principal, the firm is paying interest at the rate of 12 percent per year.

The attorney added that the remaining 60 percent of the debt would have to be paid off by January 1992. Most of Avibras' debt (65 percent) is owed to financial institutions. The rest is divided among 400 creditors.

The firm disbursed the equivalent of $8.9 million in December to pay the amounts owed to 1,300 laid-off workers under the terms of labor legislation and to bring the wages of 350 employees up to date. Avibras, which was the country's largest exporter of war materiel in 1987 with billings of $322 million, was only able to honor its commitments thanks to the sale of 10,000 missiles to Saudi Arabia.

That deal, worth $69 million, was closed in September. Marcondes said: "It was the money from that sale of weapons to Saudi Arabia which provided the firm with the funds for paying its debts."

To pay the remainder of the debt, the firm will have to sign new contracts this year. Marcondes says that in addition to continuing to sell its war materiel abroad—chiefly to countries on the Persian Gulf—Avibras is attempting to diversify its line of civilian products. One example of such products is parabolic antennas.

The crisis for Avibras began in 1988, when Iraq swindled it by refusing to pay a debt of $40 million, and was also due to the lag in exchange rates over the past five years. At one time the firm had three industrial units and 6,000 employees. Now it has only one plant and 350 employees. All of them are currently on leave.

### * Teixeira on Oil Stocks, Production, Consumption

*91SM0176D Rio de Janeiro O GLOBO in Portuguese 17 Jan 91 p 32*

[Text] Brasilia—Petrobras [Brazilian Petroleum Corporation] has a strategic stockpile of 42 million barrels of petroleum, or enough to get through the period of war with no problems if the war is not prolonged. While giving assurances that there is enough to supply the domestic market, the chairman of the government enterprise, Eduardo Teixeira, said yesterday that if war broke out, he would have to suspend imports [as published] and use those stocks until a clearer picture of trends in foreign prices emerged.

He revealed that Petrobras had been secretly building up its inventories for three months—which explains the higher amount spent on petroleum purchases at the end of last year. That additional strategic stockpile, amounting to 20 million barrels, is valued at $600 million (at an average of $30 per barrel), and its financial cost to the firm amounts to 5 percent per month, or $30 million.

Teixeira said: "While the country was working for peace, Petrobras was working on the basis of the worst-case scenario, meaning the outbreak of war."

He presented data on inventories, production, and the daily consumption of petroleum products, saying in conclusion that there was enough surplus gasoline to export and help pay for more oil, that there was no reason for concern over supplies of diesel oil, and that the situation with cooking gas, which is more dependent upon imports, is manageable because there is enough naphtha for processing in addition to sufficient stocks to ensure at least a 60-day supply. Since higher prices and a drop in demand during the first three months of the year should reduce consumption, the 150,000 metric tons of gas in inventory and already imported, plus the 1,500 metric tons per day that can be obtained from naphtha and the 10,000 produced daily, should keep the market supplied for up to 100 days.

Petrobras produces from 670,000 to 680,000 barrels of petroleum daily, compared to a consumption rate of 1,108,000 barrels per day (with from 400,000 to 420,000 barrels being imported). The 42 million barrels in inventory should be enough to ensure normal supplies for 100 days. The processing (cracking) of petroleum to produce derivatives results in the production of gasoline and naphtha, the diesel oil produced is completely consumed, and cooking gas must be imported.

The production of 192,000 barrels of gasoline daily generates a surplus of 20,000 barrels per day because we consume only 172,000 barrels. The gasoline inventory totals 2.7 million barrels. The situation with fuel oil is similar, with daily surpluses of 11,000 metric tons being produced. According to Teixeira, that makes it possible to export those products and use the proceeds to import more crude oil.

The 380,000 barrels of diesel oil produced daily are completely consumed, but there is also a stockpile of 4.5 million barrels. Liquefied gas must be imported at a rate of 1,116 metric tons per day, since our production of 10,000 metric tons, which can be increased to 11,500 by recracking the naphtha, is insufficient to meet the daily demand for 13,116 metric tons. But stocks are adequate, says Teixeira. The quantity already here and the quantity on its way to Brazil from outside the Gulf region add up to 150,000 metric tons.

If all that is not enough, Petrobras can also increase its petroleum production in Angola from 10,000 to 20,000 barrels per day and to 55,000 barrels in Venezuela, as is guaranteed by its contracts.

Alcohol: The government is waiting only for the first shot to be fired in the Persian Gulf before approving the alcohol incentive program, we were assured yesterday by a source connected with alcohol producers in the Center-South Region. That program would finance planting operations with BTN [National Treasury bond] correction plus 15 or 20 percent and a maturity of from five to 10 years.

### Firm Increases Spot Purchases

Petrobras is stepping up its petroleum purchases on the spot market. Yesterday the company signed a purchase contract with Mexico for an additional 30,000 metric tons of LPG [liquefied petroleum gas] (it had already bought 30,000 metric tons from Mexico the week before) and with Nigeria for 1 million barrels of petroleum. This was announced yesterday by the superintendent of Petrobras' Commercial Department, Hamilton Sergio Albertazzi, who explained that the company was continuing to negotiate with suppliers outside the Persian Gulf region in order to ensure supplies in case the conflict in that region grows worse.

The principal alternative markets are Mexico and Venezuela in Latin America and Nigeria and Libya in Africa. Of the 550,000 barrels of petroleum imported daily by Petrobras, 50 percent comes from the Persian Gulf: 140,000 barrels from Saudi Arabia, 120,000 from Iran, and 20,000 from Qatar.

The government enterprise intends to suspend all exports of gasoline beginning next month if the crisis grows worse. Those exports, which previously totaled 50,000 barrels of gasoline per day—exported chiefly to the United States—will be limited to 16,000 this month in two shipments already contracted for. Exports of fuel

oil will continue because of the high inventories caused by the drop in domestic consumption.

**Government Does Not Want To Depend on Gulf Oil**

Brasilia—The Brazilian Government is working on various scenarios regarding the possible outcome of the conflict in the Middle East, but it has only one solution for preventing a collapse in the fuel sector: to stop being dependent upon a single barrel of petroleum from that region for a long time to come. That is the most optimistic solution. The worst-case scenario is that for the next few months, our country will continue to need something in the neighborhood of 100,000 barrels of Arab petroleum per day. If that happens, the hope is that supplies from Saudi Arabia will not suffer any drastic interruptions.

If there is a war, the authorities expect the United States and the allied countries to win a quick victory, given the tremendous technological and military superiority of the United States. But the new geopolitical map, with a clear definition of who will be in control of the various regions, will probably not emerge for a long time. The conflict might even last for months or years, a circumstance that would increase freight rates and make new contracts unreliable.

Minister of Infrastructure Ozires Silva has assured President Fernando Collor that in such a case, Brazil would have enough allies among petroleum producers outside the area of conflict to guarantee it 300,000 additional barrels of petroleum per day—that is, 50,000 more barrels than it currently imports from the Gulf region.

## * Dec Oil Derivative Consumption Figures

*91SM0176E Rio de Janeiro O GLOBO in Portuguese 16 Jan 91 p 23*

[Text] Brazil's consumption of petroleum products in December totaled 1.10 million barrels per day, or 6.1 percent less than in November and 1.4 percent less than in December 1989. There was a drop in the demand for all the main fuels except gasoline. The biggest drop was in the demand for fuel oil, which is used by industry and for which the demand totaled 156,600 barrels per day, or 14.2 percent less than in the same month the year before. Demand for diesel oil totaled 388,100 barrels per day, or 2.3 percent less than in December 1989.

Consumption of LPG [liquefied petroleum gas], or bottled gas, totaled 149,900 barrels in December, down 0.9 percent from December 1989. Gasoline consumption continued its upward trend to a total of 172,000 barrels per day (up 9.4 percent), while consumption of ethanol amounted to 188,200 barrels per day (down 3.7 percent). As O GLOBO reported in its edition for the 12th of this month, total fuel consumption for the year came to 1.17 million barrels per day, or [illegible] percent more than in 1989. Gasoline demand in 1990 totaled 162,900 barrels per day, for an increase of 14.4 percent over 1989. That increase was due to the changing consumption profile of Otto engines, which are shifting from alcohol to gasoline.

Ethanol consumption totaled 174,100 barrels per day. That is a decline of 7.2 percent due to the crisis in supply. Demand for fuel oil totaled 180,300 barrels per day (down 4.8 percent), while that for diesel oil totaled 422,400 barrels per day (down 1.9 percent). LPG consumption rose by 5.8 percent to a total of 158,000 barrels per day.

## * Informatics Sector Faces Difficulties Competing

*91SM0177A Rio de Janeiro O GLOBO in Portuguese 7 Jan 91 p 17*

[Article by Marco Antonio Monteiro: "Firms Will Import To Reduce Price"]

[Text] Some segments of the informatics industry will experience more difficulty than others in adapting to the new rules stipulating that beginning in July, the prices of 47 products still protected under the market reserve system cannot cost more than 2.8 times the price of similar foreign equipment. If that price ratio—which will be reduced every six months until it reaches 2.47 in October 1992—is not achieved, imports of the similar equipment will be deregulated by the government.

The chief complaint concerning that measure, which was approved by the National Council for Informatics and Automation (Conin) on the 18th of last month, comes from the manufacturers of keyboards, hard disks, and magnetic tape units. They say that the council did not consider each segment's potential competitiveness, that it established too short a time—six months—in which to adapt to the new rules, and that the comparative price ratio is too low. Antonio Luiz Mesquita, chairman of Digiponto [expansion not given] (a keyboard manufacturer), believes that the firms will be forced to seek new mechanisms for survival—one example being imports of components.

"The objective used to be to produce everything in this country. Now we are only going to produce what is worthwhile. And we will increase the burden of imported inputs to reach the established ratio and compete with foreigners for the market," says Mesquita, adding that the average price of his company's keyboards is about 2.3 times that of the FOB [freight on board] value (that is, excluding freight, taxes, and distribution costs) of similar products abroad.

A similar opinion is expressed by Carlos Rodrigues, director of Conpart [expansion not given], a manufacturer of magnetic disks and tape units whose components employ the technology of precision engineering, which is still in its incipient stages in Brazil. In his opinion, the firm's greatest difficulty will be in trying to

compete in the market for cartridge tapes, the components for which cost an average of 40 percent more than similar foreign products because the firm uses only Brazilian components.

"If it is not possible to reach the established level, we will simply have to import."

For his part, the director-superintendent of Xerox, Carlos Salles, is concerned about the idea of making price comparisons between domestic and foreign products. He points out that if it is the market price that is to be considered, we will have to determine the difference between prices charged for the same product in the United States, Europe, and Japan:

"It is necessary, therefore, to know exactly what price is going to be compared. Let us say that the U.S. market price is going to be used. But what if the product is manufactured in Japan or Europe? There will certainly be a difference."

And Arthur Pereira Nunes, executive director of Abicomp [Brazilian Association of Computer and Computer Peripherals Manufacturers], which represents domestic manufacturers in that industry, says that in a direct price comparison with foreign equipment, Brazilian products lose from the start because of a factor unrelated to production: the high burden of such taxes as the IPI [tax on manufactured products], the ISS [service tax), the import tax, and others.

**Price Comparison**

| Product | Price in cruzeiros | | |
|---|---|---|---|
| | Brazil | United States | Difference (times U.S. price) |
| PC's (keyboard, monitor, 5 1/4" disk drive) | | | |
| XT Winchester 20 Mb | 265,000 | 113,000 | 2.30 |
| 286 Winchester 40 Mb | 650,000 | 247,000 | 2.63 |
| 386 Winchester 80 Mb | 1,075,000 | 385,000 | 2.79 |
| Printers (characters per second [cps]) | | | |
| 180 cps | 145,000 | 43,000 | 3.30 |
| 220 cps | 190,000 | 52,000 | 3.60 |
| 300 cps | 250,000 | 78,000 | 3.10 |
| Fax machines (personal model) | | | |
| Without telephone | 190,000 | 79,000 | 2.40 |
| With telephone | 360,000 | 122,000 | 2.90 |

Note: Product prices in the United States were converted at the commercial dollar rate (175 cruzeiros).

A comparison of average prices for Brazilian and U.S. products shows that Brazilian products are from 2.3 to 3.6 times more expensive. An example is the printer (220 characters per second), which costs 190,000 cruzeiros in Brazil and 52,000 cruzeiros in the United States.

### Manufacturers Will Lobby Congress

Brasilia—Representatives of the domestic informatics industry and its workers will try to persuade the National Congress to change the rule stipulating that domestic products may not cost more than 2.8 times the price of similar foreign equipment. Their purpose is to ensure that protected products can continue to be part of the market reserve system.

The limit of 2.8 times the price of foreign products was approved by Conin at its last meeting and applies to the 47 products constituting the market reserve list which takes effect in January.

That limit will be examined beginning in July, however, and noncompliance may lead to the deregulation of imports of the product in question. Morever, the multiplier will be reduced every six months. Between January and June 1992, for example, the ratio will be 2.64. And from July to October 1992, the ceiling will be 2.47. From that point on, the reserve market will no longer exist, and domestic products will have to compete directly with imports.

The strategy adopted by the domestic industry and the Association of Data Processing Professionals (APPD) calls for including the criteria established under the price/performance program—including the price limit—in the National Informatics and Automation Plan (Planin), which was also approved at the Conin meeting. Planin will also have to be approved by the National Congress.

"If that happens, we will be able to increase the limit and even adopt price ceilings differentiated by product," said Sergio Rosa, the APPD's representative on Conin.

He says that the ceiling of 2.8 was established across the board and that it was adopted only because the Ministry of Economy wanted it.

Rosa questions, for example, the setting of a single price ceiling for computer disks and microcomputers, since the latter are much more capable of competing with similar foreign products.

## Chile

### Aylwin Discusses Rettig Report With Pinochet

*PY2702185191 Santiago Radio Chilena Network in Spanish 1600 GMT 27 Feb 91*

[Text] President Patricio Aylwin has found General Augusto Pinochet, the Army commander in chief, in a good frame of mind over the Rettig report. This was reported by the president following his meeting with Gen. Pinochet at his residence on Arturo Medina Street. The president said he did not expect any problems.

[Begin recording] [Aylwin] I am very composed because I gave him a complete briefing on the contents of the report in the same terms as I did the political parties, the human rights associations, and the relatives of missing people. I stressed the purpose of the report and I asked for his and the Army's cooperation for what will come out of the report.

The discussion was constructive and the importance of reconciliation and the search for truth and justice was stressed, just in the same way as the Armed Forces had proposed. I found him in a good frame of mind.

[Unidentified reporter] Will the Army also cooperate with the report?

[Aylwin] I hope and trust so. [end recording]

Gen. Pinochet arrived at Aylwin's residence just before 0800 this morning and left an hour later after making very brief comments.

[Begin recording] [Pinochet] It was a courtesy visit. [passage indistinct].

[Reporter] [Passage indistinct]. What can you tell us about the report the Army sent to the Rettig Commission?

[Pinochet] [Passage indistinct]. [end recording]

The meeting between President Aylwin and the Army commander in chief ended in a very relaxed mood.

### Military Not Responsible for Rights Violations

*PY2802021291 Santiago Radio Cooperativa Network in Spanish 2200 GMT 27 Feb 91*

[Aldo Anfosi report]

[Text] According to Defense Minister Patricio Rojas, after the Rettig Commission report is released, the courts will investigate individual responsibility for human rights violations committed during the military regime. Rojas stated emphatically that the Armed Forces are not responsible for human rights violations committed by individuals even though they may be members of these institutions, and noted that the courts will eventually punish them.

[Begin Rojas recording] There is no other way. Any responsibility for human rights violations must be punished, but individually, never institutionally. [end recording]

The defense minister added that the Armed Forces must learn the details of the Truth and Reconciliation Commission report before making any statement on the issue. He said the military institutions do not know the contents of the report. On 4 March, when President Patricio Aylwin delivers the report to the people, the military institutions will learn the details of the report. Once they learn the contents of the report, each of the institutions will be able to express their reactions, Rojas said.

[Begin Rojas recording] The attitude of the Armed Forces, and my responsibility as defense minister and head of this sector, is that the behavior of the Armed Forces will not be distorted, that their role will be fulfilled as normal, and that there will be no security organization acting outside the law. This is what we hope to maintain now and in the future so the situations described by the Rettig report will never occur again. [end recording]

Rojas added that President Aylwin will conclude his talks with the Armed Forces commanders on 1 March in order to discuss the report before its publication. He said that although he was not present, he is very well aware of the meeting between the president and General Pinochet this morning. He declined to reveal the result of the meeting because, he said, I am not entitled to do so.

### Communist Party Said Dividing Labor Movement

*PY2202153491 Santiago Radio Cooperativa Network in Spanish 2200 GMT 20 Feb 91*

[Text] Arco, Assembly for Communist Renewal, has criticized the divisionist position of the Communist Party of Chile [PCCh] with respect to the labor movement. This charge has been leveled by Arco leader Alejandro Valenzuela, a member of the CUT [Central Labor Union] National Council.

Valenzuela charged that the orthodox sector of the PCCh has attempted to create unions parallel to the existing ones, in light of its defeat in the union elections.

[Begin Valenzuela recording, in progress] ....that we are seeing is that the official party board cannot tolerate this situation. In addition to the staggering [words indistinct] and personal discredit, now there is an attempt to divide the movement.

We are greatly concerned about this, because it is absolutely against the traditional nature of the labor movement. [end recording]

Valenzuela said that not even in the worst times of the dictatorship were there attempts to divide the labor movement.

He added that he was concerned about the new policy of alliances of the PCCh, especially the attempt to create an alliance with the Center-Center Union.

[Begin Valenzuela recording, in progress] ....we are concerned that the official leadership of the Communist Party is considering the possibility of creating an electoral pact with the Center-Center Union. Labor leaders have very bad relations with many Center-Center Union leaders. We had very serious problems with them. Many of those who unconditionally supported the dictatorship are now militants and leaders of the Center-Center Union.

We are therefore very concerned about the possible alliance between the PCCh and this sector. [end recording]

Valenzuela said that all this is part of the Arco policy, which seeks to create a union workshop to reflect, study, and research the labor movement, and also to support it and thus maintain full democracy, especially as it concerns social rights.

## * Deputies View Bryan Commission Agreement

*91SM0207A Santiago LA NACION in Spanish 14 Jan 91 p 12*

[Article by Ivan Delgado]

[Text] Valparaiso—On Wednesday, the Chamber of Deputies Foreign Relations Committee approved the Bryan Commission agreement signed by the Chilean Government and the United States in June 1990, granting compensation to relatives of former foreign minister Orlando Letelier and Ronni Moffitt.

The commission takes two positions: one supported by National Renewal (RN) Deputy Federico Mekis, and Christian Democratic Deputy Sergio Pizarro.

### Mekis

National Renewal Deputy Federico Mekis said his party is greatly concerned about how the government could have signed such an agreement: "We think the signing of the agreement does not serve the cause of justice because it does not get to the heart of the problem. Rather, it merely anticipates the results of justice, forcing all Chileans to pay in a way they should not have to for a crime they did not commit. Consequently, they may be discouraged in their search for justice."

We think, Mekis said, it is more important to have an investigation and arrive at clear results, after which the courts should determine what type of agreement or talks should result.

He emphasized that his party thinks the signing of the agreement does not serve the cause of human rights because, in the final analysis, it establishes unfair discrimination among all persons who, as relatives of victims of human rights violations, should receive collective reparations in the sense of spiritual support, but at the same time, economic reparations for harm they have suffered through the loss of one of their loved ones.

The way in which the Letelier case is handled would obviously mean discrimination and, at the same time, not be useful to the defense of human rights.

Mekis also said the agreement does not safeguard the legitimate respectability of the Chilean Government. In the case of an agreement which, while stating that payment will be formulated *ex gratia*, meaning it is a donation, the very fact that it is outlined in an agreement containing mutual concessions changes the nature of the ex gratia payment and the entire structure of the agreement, although it does state that there is no recognition of responsibility on the part of the government of Chile with respect to the death of Orlando Letelier and his secretary.

The deputy states that determining compensation makes it look as if Chile were responsible for the assassination of the foreign minister. He said that important members of the Letelier family, the most authorized persons to interpret the agreement, have said the agreement means implicit recognition of responsibility for the murder.

Consequently, Mekis says, we believe it does not protect the legitimate respectability of the government of Chile.

It was a mistake to sign the agreement because of its form and substance, inasmuch as we have seen how the respective message was sent to the Chamber without accompanying the text. Weeks passed before the mistake was corrected.

Mekis announced that in the Chamber of Deputies, the National Renewal will vote against the measure and that many members of the Coalition will vote for it with the greatest reluctance.

### Sergio Pizarro

For Christian Democratic Deputy Sergio Pizarro, the Letelier case is a problem inherited by this government. It was the previous regime that failed to find a proper solution for it. It always debated subordinate procedural questions rather than the heart of the matter: cooperating with the work of the courts.

That is why, Pizarro says, the agreement signed with the United States is aimed at solving the matter of indemnification and at restoring trust between the two governments in order to be able to work together on total elucidation of the case and bring its authors to justice, whether they be military men or civilians.

The Christian Democratic deputy maintains that the payment provided for in the agreement implies no acceptance of responsibility by the Chilean Government, inasmuch as the democratic government prefers that the matter not continue to be discussed internationally since this only hurts the country further. He adds that a path

has been chosen making it possible to restore a climate of mutual trust between the United States and Chile for the good of the country.

The agreement signed with the United States, Pizarro maintains, implies recognizing that Chile's interest means viewing international relations with high-mindedness. The Letelier case is not a private matter between Chile and the foreign minister's relatives. It is a matter between governments. Chile's honor and interests are at stake. It is a question of seeing they are duly protected, he said, and that they constitute a precedent in the framework of the development of international law.

The agreement is in accordance with the law, Pizarro said, inasmuch as it solves the problem posed by the exercise of diplomatic protection which the United States effected with respect to the Letelier case. In addition, he noted that the agreement is one more example of the international practice that indicates that when the legal interests of two governments clash and the law does not necessarily impose a solution, such governments must seek a peaceful solution to their dispute.

Pizarro recalled that a court in the United States, where the Letelier crime was committed and which is therefore competent to handle the case, sentenced the country of Chile and, among others, former Chilean Army officials to pay compensation for the murder. He added that by virtue of the principle of the immunity of jurisdiction, such a verdict handed down by a competent court cannot be enforced against Chile and therefore, the former Army officers.

Consequently, by invoking the institution of diplomatic protection sanctioned by international law, the government of the United States took up as its own the interests of the Letelier and Moffitt families, thus turning the case into a government matter and, consequently, a dispute between governments.

Pizarro said the United States thereby invoked the Bryan Treaty signed with Chile in 1914, meaning that the committee of five jurists provided for in the treaty should conduct the investigation in the United States and Chile, with all the consequences this would entail in terms of our country's responsibility for the perfidious act of terrorism.

## Colombia

### Army Commander on Increased Security

*PA2502001191 Bogota EL NUEVO SIGLO in Spanish 18 Feb 91 p 10*

[Interview with Army Commander General Manuel Alberto Murillo Gonzalez by EL NUEVO DIARIO reporter Luis Eduardo Carrillo—date and place not given]

[Text] [Carrillo] General, what can be done about the excessive violence, the assassinations of soldiers, policemen, and civilians?

[Murillo] Such a situation must be confronted with courage. It must be confronted with courage by the civilians, the soldiers, and the country's institutions. The country has to defend its institutions and legitimate government in order to confront the threat that looms over the fatherland and our territory.

[Carrillo] The events that have occurred in Medellin are terrifying: 22 people killed and 143 wounded....

[Murillo] This is another demonstration of the terrorists' criminal instincts. They hurt people indiscriminately. They do not care who they hurt. The terrorists simply need to abate their killer instincts and show their importance. They do not measure consequences and do not respect their own or the lives of other people.

[Carrillo] Do you have information on who carried out the terrorist attack in Medellin?

[Murillo] The police, army, and Administrative Department of Security forces in Medellin are investigating this attack. All the national and departmental government offices are contributing to this effort in order to discover who was behind the attack, which was as criminal as any of the other attacks that have occurred in the past days.

[Carrillo] Another unfortunate event occurred in Pereira. Fortunato Gaviria, the cousin of President Cesar Gaviria, was murdered. What do you know about this?

[Murillo] Yes. A very regrettable occurrence. Apparently, the investigation is progressing. This crime has shaken the people of Caldas and, of course, Colombians in general. The country has expressed its solidarity with the Gaviria Botero family.

[Carrillo] Are special measures being implemented to confront terrorism in our cities?

[Murillo] We have plans that call for immediate action and we have also updated our regular plans. The terrorists are now attacking the people's interests directly. They are draining the citizens' earnings, destroying people's properties, and jeopardizing the community's well-being. Right now, the honest people are the victims of these terrorist actions.

[Carrillo] Gen. Murillo, do you agree with the very strong criticism that is being hurled at the Armed Forces?

[Murillo] I do not agree with this criticism because I know we have done our duty. We really feel at ease because we are complying with our duty and are doing so with unstinting efforts. Contrary to this criticism, I have nothing but words of praise for my army soldiers. I have seen them fight without growing weak. The soldiers are men who have dedicated their lifes to the compliance of

duty. So many of them have sacrificed their lifes in this struggle. I believe this is the biggest sacrifice a man can make for his principles and his country. Many times this is not appreciated. However, the institution is so strong that it manages to overcome the attacks against it, even from those who would be expected to give it their support and solidarity.

[Carrillo] Will military intelligence be increased and strengthened?

[Murillo] Given the current situation, it is important that we strengthen our intelligence so that we can anticipate the plans of subversives or other factors that could hinder public order. This is being done right now and we have already reaped benefits in this field. We have managed to stop many terrorist actions and have protected many properties. Our soldiers are everywhere and combat has increased. This proves that we are acting continously on all the fronts. I say this because I have just returned from touring large areas of our territory. Everywhere I went, I noticed that the police and the army forces were implementing operations to protect the nation.

[Carrillo] Is there high morale?

[Murillo] The high combative spirit and integrity of the men of the Army is absolute. The situation does not prompt us to be so optimistic as to say that we are nearly done, but we are successfully neutralizing this delicate situation.

[Carrillo] What is your opinion on former President Lopez Michelsen's proposal to increase the number of mobile brigades to face the guerrillas?

[Murillo] It is an important proposal. This is an essential point that would give us greater freedom of action. We need higly mobile troops that are able to intervene rapidly and directly, especially during disturbance.

[Carrillo] When will the new troops be ready?

[Murillo] The Army has been preparing military groups formed by well trained and equipped personnel who have a high morale, but it requires time. However, we will do it as soon as possible in order to have more control and prepared groups for these situations.

[Carrillo] Are the mobile brigades having good results in the Eastern Plains?

[Murillo] The members of the anti-guerrilla battalions who are part of the Mobile Brigades are acting in many areas and not only in the Meta Department. They have gone there to reinforce the regular troops in the whole area. They have had good results against the armed enemy. They are carrying out an important role in controlling the extensive areas affected by these subversive groups in the Meta Department.

[Carrillo] How are the men at La Uribe?

[Murillo] It is really satisfying to witness the high morale with which these men confront the situation. I believe that because of places like La Uribe you feel honored to command an army like ours, where the men with the greatest generosity and selflessness confront every situation, no matter how difficult it may be. They do it with the greatest enthusiasm. Now it is being said that the army's morale is decreasing and I would like those persons who say that to observe the troops activities so they can see how high the morale is.

There is talk about a high rate of desertions due to the kidnappings by the Revolutionary Armed Forces of Colombia [FARC]. The FARC is a huge column. Two army members were kidnapped in a cowardly fashion. Currently two soldiers were murdered in a cowardly fashion. These soldiers were travelling by bus from San Jose del Guaveiare, they were ordered to get off the bus and then killed.

[Carrillo] General, do not the guerrillas contradict themselves by speaking of peace and dialogue, while killing civilians, soldiers and policemen?

[Murillo] The guerrillas have gotten to the point of total despair. They are putting on a show of force, which they no longer have, although they want to demonstrate the contrary by killing Colombian soldiers, citizens, and men. They also have created a totally threatening climate of outright crime. This is why the Colombia community should report this situation and not allow this to continue happening in a civilized country.

[Carrillo] When the Simon Bolivar National Guerrilla Coordinating Board asked for the withdrawal of the armed forces from La Uribe to engage in a dialogue, the government endorsed the army's actions and said no to the rebels. Do you feel you have the armed forces and the president's support.

[Murillo] Of course, I have not doubt about this. The government's reaction was very clear. This action was based on the constitution, the laws, and the authority that are the fundamental principals of this nation. We are complying with these regulations, because we support a legitimate government that has shown its authority, something which is important for a people such as ours.

## Constituent Assembly Member Says Legalize Drugs

*PA2602170391 Bogota EL NUEVO SIGLO in Spanish 22 Feb 91 p 6*

[Text] Delegate Jaime Castro yesterday proposed to the plenary of the National Constituent Assembly the possibility that "in the future" Colombia could lift the prohibition on and permit the use of hallucinatory drugs. He said that this could be accomplished through "progressive decriminalization;" a reduction of penalties; "controlled legislation;" or by regulating the production, processing, and marketing of such drugs.

According to Castro, that is the only way to eliminate what he described as the "drug mine field."

Castro added: "This is a hypothesis that Colombia—the most sacrificed nation and the epicenter of the war against drugs—cannot dismiss without seriously studying it within the international context as a concerted solution between the State and civil society."

Castro proposed that after approving the constitutional amendment, the Constituent Assembly should grant Congress the authority to implement—at the government's request—a strategy that is different from the one that has been used so far at such a high cost.

Castro made a call for peace, saying that it is necessary to give a new opportunity to "political proposals" in order to find solutions to end the guerrilla conflict.

### * Effectiveness of New Judicial Measures Viewed

### * Escobar Surrender Unlikely

*91SM0202A Bogota EL TIEMPO in Spanish*
*31 Jan 91 p 4a*

[Editorial by Enrique Santos Calderon]

[Text] As anticipated, the government modified Order 3030 on the reduction of sentences and nonextradition. The deadline for availing oneself of the benefits of the order was postponed from 5 September to the date of surrender. As President Gaviria said in his speech, it is hoped that extending the deadline will result in greater effectiveness of the order and encourage the surrender of more drug traffickers.

The decision will generate controversy. "More concessions to confessed drug dealers," says EL ESPECTADOR. "Engaging in crime until one surrenders," ran the venemously sarcastic LA PRENSA headline. As these lines were being written, we did not yet know what the reaction was in the United States, but one can assume that the order will be presented as [one more instance of] indulgence on the part of the Colombian Government to drug traffickers.

This is the fourth modification of the order. Each of them has interpreted objections formulated by attorneys for the "Extraditables," as well as those expressed from prison by Fabio Ochoa himself in an open letter to the president.

It is indeed difficult to avoid the impression that the government has made successive concessions which its critics have hastened to label as further bending of the law to placate criminals and surrender by the government rather than by the Extraditables.

I can imagine the dilemmas and conflicts which such decisions—which are not as "incidental" as they would have us believe—have created for a president like Gaviria, who inherited the banner of Luis Carlos Galan. They have their political cost, particularly in the international field and among the more recalcitrant—moralizing, some would say—members of national opinion.

But that does not mean they are courageous decisions. I think they interpret a national desire to put an end to the violence generated by narcoterrorism and that they seek a pragmatic, realistic way of doing so.

And that is how far the government can go. It is not conceivable to expect more modifications and concessions. The ball is clearly in the court of the Extraditables—meaning Pablo Escobar—who must now make good on their repeated offers to surrender to a justice which offers them guarantees, benevolent treatment, and nonextradition.

Already such a prominent spokesman for the extraditables as Guido Parra, who harshly criticized the initial version of the orders, says conditions exist for the surrender of all Extraditables, including Pablo Escobar.

Why Escobar follows his attorneys' recommendations so closely remains to be seen. One has to assume he was waiting for this last modification, which for many reasons (guarantee of nonextradition, crimes committed after 5 September) was essential to him. Further, he must realize the government cannot make one more change without confirming the impression that he is dictating the law at will. If the last modification does not help him, then one must harbor no more illusions about the surrender of the kingpin of the Medellin cartel.

If it does suit him, then the problem becomes one of his personal safety in jail, assuming, naturally, that the man knows and understands he must spend several years in jail. In that case, guarantees of his safety may become an issue as complex as the legal shoals that preceded his possible surrender!

The conditions of imprisonment, the type of prison, and the methods of surveillance are all factors to be taken into account. Some in the know maintain that, along with Escobar, dozens more would turn themselves in confessing to minor crimes, thus becoming his bodyguards in prison! Others say he has no intention of serving time. Still others say his surrender depends on the Constituent Assembly guaranteeing nonextradition.

In order for this to be so, Escobar would have to order the release of all kidnapped victims because it is not conceivable that the Constituent Assembly would take up any issue connected with extradition or drug trafficking as long as any factor of coercion or blackmail exists.

Following the modification of Order 3030, the issue of Pablo Escobar's surrender is on everyone's lips. In the midst of insane speculation and far-fetched hypotheses, one discerns a collective hope that it may be true. That this should happen only days after the atrocious murder of Diana Turbay is one of the cruel ironies so often seen

in a country where no aberration has the power to surprise us any longer and where any illusion of peace is drowned in a pool of blood.

Thus there is once again the hope that things may improve and that, as in Beckett's famous "Waiting for Godot," we all await a character who perhaps may never appear. A real theater of the absurd and with the participation of an entire country!

### * Challenge to Judiciary Viewed

*91SM0202B Bogota EL TIEMPO in Spanish*
*3 Feb 91 pp 1a, 3a*

[Text] In the course of the months ahead, a legal battle will be waged in the midst of a kind of mystery.

On the one hand, one has "the Extraditables," an ethereal group difficult to define, particularly when it comes time to establish criminal responsibility," according to one high police official.

On the other, there is a select group of 82 faceless judges—whom the defendants will not be able to see—responsible for waging the fight to see that crimes committed by the extraditables do not go unpunished.

That organization stated publicly this week that it ordered the execution of Marina Montoya de Perez and that it had previously been responsible for the deaths of 215 police officers, one judge, and one chief of police.

But who are these invisible criminals? The courts, which will now work with their faces covered, face a great challenge: unveiling the mystery and judging them.

It is a legal undertaking which virtually starts from scratch, but which involves new instruments of legal prosecution: a strategy implemented by the government to make the traffickers surrender, an impressive infrastructure of security for the judges, and the development of the prosecutorial system, with new variations in the gathering of evidence.

The "great expectation" amounts to seeing whether justice will win the fight in this invisible mystery.

This Friday, 24 hours after the murder of Marina Montoya de Velez, the second hostage to be murdered by the Medellin cartel, Minister of Justice Jaime Giraldo Angel surprised the country with an unexpected statement: "The Extraditables are no longer an impressive machine; rather, they are represent a redoubt with little power."

Nevertheless, since 5 September 1990, when President Cesar Gaviria's government officially launched its strategy of nonextradition and the reduction of penalties for those surrendering to justice, the "redoubt" has committed 59 crimes.

They range from kidnappings aimed at financing terrorist activities to crimes such as those victimizing Diana Turbay and Marina Montoya de Perez, according to a detailed account in the form of a single file put together by government security agencies.

This most recent list is combined with another recent list: 215 police officers murdered, 6 CAI's [Immediate Attention Center] blown up, the crime targeting the judge of the third justice of the peace of Medellin, Maria Elena Diaz, that of the Antioquia chief of police, Colonel Valdemar Franklin Quintero, to name but a few of those recognized by the Extraditables themselves.

The strategy implemented by the government, Giraldo Angel repeated, "is based on the fact that we are creating a system of justice that is strong, vigorous, capable of action, and that will not accept impunity!"

"Peace in the country requires that the process be preserved and protected (...), for which reason this policy, which is not intended to be transitory, will not end as the result of any bloody deed, however painful it may be."

The minister thus referred to the murder of Marina Montoya de Perez, whose execution has been admitted by the Extraditables, a crime which Giraldo guarantees "will not go unpunished."

However, the government's stand encounters its first obstacle precisely in the form of the identification of those responsible: the Extraditables.

#### Who Are They?

In the opinion of top General Police Directorate officials, the Extraditables are "an ethereal group difficult to define, particularly when it comes time to establish criminal responsibilities."

According to other security organization spokesmen, it is a "two-faced" label: "acceptable to the courts when a drug trafficker appears voluntarily before the judge to avail himself of special benefits and, at the same time, a facade concealing a whole criminal trail." For the minister of justice, it is a dying species, a weakened criminal network.

How many are there? Who are they? The 159 whose extradition the U.S. State Department has requested, or simply Pablo Escobhar Gaviria, as Gilberto Rodriguez Orejuela and certain Secret Service officials maintain? This is what no security agency seems able to determine with absolute certainty.

Thus it is that the challenge of discovering the structure of an organization, which for the past six years—since the assassination of Rodrigo Lara Bonilla on 30 April 1984 up to now—has threatened, kidnapped, murdered, announced peace, and declared war, will have to be taken up by faceless judges.

It is a detachment of 82 select judges, whose point of departure—outside of the evidence obtained by authorities in specific cases—will be a bundle of papers bearing the logo of three men in chains and a concise but

lapidary battlecry: "We prefer a tomb in Colombia to a jail cell in the United States."

It is a legal undertaking which virtually starts from scratch but which involves two new instruments of legal prosecution: the requirement of surrendering and confessing to at least one crime punishable by imprisonment; and an impressive security infrastructure.

The first instrument is beginning to work. The voluntary surrender of Fabio and Jorge Luis Ochoa Vasquez—until only recently fingered by authorities in the United States as two of the strong men of the Medellin cartel—is a major stride.

The other: chambers protected by impenetrable walls of concrete, bullet-proof glass, closed-circuit television, special chambers for interrogation (the accused cannot see the judge, but the judge can see the accused), and guarantees of security, will soon be completely ready.

**Challenge to the Courts**

The government thus assumes responsibility for providing proof, responsibility for bringing the criminals to justice. Nevertheless, the issue, as judges have observed ever since the strategy was announced, is that, basically speaking, the sources of investigation continue to be the same: the Judicial and Investigative Police Directorate (DIJIN), the Administrative Department of Security (DAS), and the Judicial Police.

In other words, these are the same agencies which, with a load of—in their opinion sufficient—evidence, went before the courts unsuccessfully in the cases of Rodrigo Lara and Guillermo Cano and also "failed" in a hundred or so other crimes.

Such was the case, for example, in the crime involving the nation's attorney general, Carlos Mauro Hoyos. Tapes were presented of talks between alleged drug trafficking bosses and connections ordering the execution of the head of the Office of the Attorney General.

According to security agencies, the evidence would have been overwhelming if its gathering had not been subject to previous legal warrants and unjustified delays in awaiting authorization from a judge, or if its evaluation had not been tainted by fear.

The Statute on the Protection of Justice has restored these security agencies' capacity to act immediately. It has even empowered them to carry out raids and intercept communications without any judicial order. In other words, the obstacle to which DIJIN and DAS alluded has disappeared.

Nevertheless, for judges the problem is not one of letting off steam in the search for evidence, but rather, of obtaining some irrefutable, technical proof.

What will happen? Giraldo Angel himself has asked for more time to allow the jurisdiction of law enforcement to be put into place, along with the new strategy it will involve against organized crime.

In the meantime, there are 56 new crimes to investigate, an ethereal organization to identify, and many expectations concerning the success of the process of bringing criminals before the courts and making sure they actually serve time.

This is true, first of all, because the National Police itself—unquestionably the best-informed, best-trained agency in the fight against drug trafficking—has had to resign itself to drawing up the orders to remove the corpses of the 270 officers killed in Antioquia in order to bring action in a case "under investigation," a complaint against everything and nothing at the same time, against the Extraditables.

The second point is that this anonymous network is so far responsible for the murder of some 200 legal officials, still holds three hostages, and, contrary to what certain government officials seem to believe, has demonstrated its ability to maintain its criminal machine in action.

**Careful Review**

According to one high police official, not a single bulletin that comes from the Extraditables is released without the approval of Pablo Escobar Gaviria.

The strong man of the Medellin Cartel thinks them up, writes the first draft, and then, after they are corrected by his "advisers," reviews them once again before they are put into circulation.

According to the same source, the process takes 48 hours because it is done with such diligence and care.

One high official says that when Pablo Escobar wants to clarify accusations implicating him, he signs in his own hand and places his thumbprint on them.

However, when it is a matter of criminal acts or political pronouncements on the so-called "drug war," he uses the logo of "the Extraditables."

## Peru

### President Fujimori on Popular Participation

*PY2702160091 Lima RTP Television Network in Spanish 0300 GMT 27 Feb 91*

[Address to the nation by President Alberto Fujimori; place and date not given—recorded]

[Text] Good evening, dear fellow countrymen. I am addressing you to officially announce my proposal on the democratization of government decisions, a proposal you have already heard about through the media. There have been many unobjective and unfounded interpretations and much speculation based on prejudices following the initial announcement of this measure.

People may be asking themselves how this proposal will benefit them exactly. I think this question must be answered. In Peru there are thousands of laws and regulations which the citizenry must obey but which, according to the people, must be improved or eliminated. I am referring to laws and norms affecting everyone's daily life. For example, what is your opinion on importing food? Should food be freely imported or not? What about our national industry? Is it necessary to protect it? How?

These decisions are connected with the prices of the food you eat. The same thing happens with the sale of medicines. Must we continue to restrict the opening of new drugstores? This is why more active participation from the people is needed to solve national problems.

For most people, democracy has only meant voting. After the elections the people do not participate in the decisions. In practice, their representatives are free to decide what is convenient or not for the well-being and happiness of Peruvians. The people's aspirations may or may not be fulfilled, and the people often feel disappointed, forgotten, and pushed aside. Any opinion that comes up and reaches the centers of decisionmaking does not necessarily represent the opinion of the people. This can lead to disputes between the government and the opposition, which uses the people's discontent for its own political interests.

But what would happen if our democracy were less formal and more authentic, as in more developed countries? The people would communicate with their governors and participate in government decisions and in building their future. But our weak democracy, with its lack of consistency, guarantees the contrary: the power of minorities.

This is why we have proteges of powerful politicians. As soon as there is a change in government, these proteges are installed in power and they begin, as we say, bossing people around. The people have witnessed how my government has tried to do something for the poor and the masses. As soon as the interests of some privileged minorities were touched, however, these minorities immediately started activating all their resources to prevent us from adopting any measure.

It is not unusual for powerful economic interests, as in the case of the food and medicine monopolies, to ally with some bureaucratic decisionmakers to defend—at any expense and in open challenge to the government—their interests. The people are merely spectators in this government dispute and they are not able to defend their interests.

Throughout this century the country has seen the dispute between renewing and regressive political projects taking place on a stage where the Peruvian state and dominant minorities are the performers. This dispute is what the people, with wisdom and common sense, call the white man's dispute [lio de blancos]. The people have always been forced to be spectators, never performers.

All the traditional governments and minorities spoke in the name of the people, as if the people did not know how to speak. The people were never given real participation in the great decisions that affected our national life. Our recent decision to publish the penal code draft bill has produced several comments from institutions and congressmen. We then asked ourselves what would have happened if the controversial law on bank nationalization had been submitted to the people and all social sectors for an open technical discussion. Without a doubt we would have saved ourselves many unnecessary confrontations.

An authentic democracy should have a single stage: a national one, where all actors have the same opportunity. That is what we mean when we speak of the democratization of government decisions. I ask myself: Is this perhaps impossible or utopian? Deep down, those who oppose a total, modern democracy actually favor an illusory democracy which is actually a form of bureaucratic, aristocratic, or simply particratic [partidocratica] domination.

Fellow countrymen, I was elected president because I promised a political and moral renewal. This goal is at the core of my political action. Many of you believed my proposals were the necessary answer to the political crisis in the country. You elected me because I promised change, and one of the most important changes I am proposing is to change the people's passive attitude. We do not want democracy to be just a formality or the exclusive sphere of politicized people. We want all citizens to participate.

I want to explain to all my fellow countrymen, in simple terms, this very important proposal for democratizing government decisions so no one will be fooled or manipulated in the future, so each citizen can reach his own conclusions about government actions.

This measure will allow people to get acquainted with all important decrees before they become effective. There will be no more surprises. The reasons and bases supporting the decisions will be made public, and their consequences will be duly explained. Citizens and institutions will be able to comment. The executive branch will evaluate the criticism and correct possible mistakes or limitations. Citizens will have direct participation in public forums on the topics. Once the decree is published, everyone will know if and why people's opinions were accepted or dismissed.

Let us consider a specific case. A short time ago the government published a draft decree authorizing Lima's Provincial Council to import 350 used buses to solve the serious public transportation problem. We would ask you: Do you agree, or do you think we should use locally manufactured units?

Each decision on these and other matters directly affects your life and your well-being. You therefore have the right to comment on them. Of course there are national fields, such as national security and foreign relations,

that will be excepted. You will be able to convey to the president, through the Commission on Democratization, your comments, observations, or proposals on items that the decree will incorporate.

There is another important aspect: People will be able to identify public officials in charge of drafting these decrees and making decisions; the people will be able to demand that the officials take responsibility for and account for their administrative actions. This is the essence, my fellow countrymen, of the so-called democratization of government decisions. You will be true participants in our democracy through this system. Democracy is not just a nice word but something that we have to live each day. It is a reality that must be defended from its enemies. I want to be very clear and I want to stress that our policies and actions are totally consistent.

This presidential proposal to create a mechanism to democratize government decisions is proof of what I am saying. It will also be submitted to you for comments. This is the clearest way to answer doubts on the matter. Let us move without fear to an advanced democracy, as are all other democracies in the West, without economic owners or caudillos. All citizens have equal rights and obligations. We want to make sure that freedoms are real and enjoyed by all. We want clarity in the performance of public officials, institutions, and control and filter mechanisms, so that no one in government will have the right to impose his concept of freedom on the people.

Freedom is achieved by limiting the power of the few who are organized enough to wield influence. This can be achieved if the institutional system is armed with the tools to control abuses, no matter how influential the group. This is what we hope to achieve by democratizing government decisions. Thank you and good night.

### Finance Minister Announces Salary Increase

*PY2702144091 Lima RTP Television Network in Spanish 0100 GMT 27 Feb 91*

[Text] Economy Minister Carlos Bolona Behr today announced that public workers will receive a 36-percent salary increase retroactive to 1 February and a 15 million-inti education bonus [bonificacion por escolaridad].

[Begin recording] [Bolona] We are contemplating changes in salary policies for public workers. We are studying an average increase of 36 percent. The minimum increase will be 12 million intis plus an education bonus of 15 million intis. These increases are part of a plan to establish equal salary levels throughout the public administration, allowing us to build a more efficient salary structure.

Nurses, for instance, have been neglected for a long time. They could possibly be granted a 95-percent increase, which is much more than the average we just mentioned. We have to raise their salaries to decent levels. We are doing this within the framework of a very harsh fiscal program, because hyperinflation is the worst enemy of any salary policy. Teachers have already been granted an adjustment.

We are now providing a complementary adjustment acknowledging previous problems. This is a great effort. The greatest emphasis, however, must be placed on adjusting salary levels and restructuring the size of the central government. Nearly 30,000 technical employees have already applied for the voluntary resignation program. We will extend this program to the professional sector. Public enterprises will have to implement the system as well. We have a oversized state. It is better to have a small, efficient, and well-paid state than a large and nearly collapsing state that pays extremely low salaries and does not have the funds to face a crisis.

[Reporter] The government will implement economic adjustments in the next few hours. What can you tell us about them?

[Bolona] We are studying and evaluating the economy as a whole. We are evaluating the stabilization program and the structural reform program. We are preparing a series of projects. We will let the media know about them in time. We are studying the entire picture; we cannot deal with isolated problems.

[Reporter] Will you make changes to former Economy Minister Hurtado Miller's programs?

[Bolona] Not many. We have to put the stabilization program back on track. We must speed up the structural reform program; it did not go far enough and we cannot accomplish stabilization without the needed structural changes. We have to mobilize resources for the social area, not only for the assistance or services area but also for the job creation program. This is what we urgently need.

[Reporter] Minister, is the government talking with IMF officials at this time?

[Bolona] We have asked IMF officials to visit us. We want to openly discuss with them the many goals and programs they are proposing. Our talks have been very fruitful, very clear. We have a clear understanding of the problem. We must put the stabilization program back on track. We must correct mistakes and push the structural program further. [end recording]

### San Martin Inhabitants Vote for Autonomy

*PY2602163891 Lima RTP Television Network in Spanish 0100 GMT 25 Feb 91*

[Excerpt] Through a plebiscite, the majority of San Martin inhabitants have chosen to become an autonomous region, thus splitting away from the La Libertad region to which it was originally bound by law.

It has been estimated unofficially that more than 80 percent of the inhabitants voted for autonomy. The executive and legislative branches are currently planning

to summon a third special congressional session to approve the creation of this new region. [passage omitted]

## Venezuela

### Prime Minister Manley Begins Venezuela Visit

*FL2302124591 Bonaire Trans World Radio in English 1130 GMT 23 Feb 91*

[Text] Jamaican Prime Minister Michael Manley has begun a three-day visit to Venezuela. He will meet today with Venezuelan President Carlos Andres Perez and tomorrow the two men will sign various bilateral agreements. On Monday, the Jamaican leader will hold meetings with other Venezuelan political leaders. Mr. Manley is accompanied by Foreign Minister David Coore.

### Manley: Talks 'Highly Beneficial'

*PA2702054391 Caracas Venezolana de Television Canal 8 in Spanish 0030 GMT 26 Feb 91*

[Text] At a meeting with the Rio Group ambassadors, Jamaican Prime Minister Michael Manley said that the Latin American Economic System, SELA, should project itself in the next few years so that it will be Latin America's voice at international forums.

In an unhurried and well-thought-out speech, Prime Minister Manley called for the renewal of integration efforts so that SELA will be the voice of Latin America and the Caribbean, that is, so that it will speak for a group of countries that are seeking the establishment of a new international economic order. At SELA headquarters, Manley said that the current difficult economic situation is forcing countries to make clear and precise decisions to urgently achieve economic, political, and social liberation. He added that these goals will not be possible if there is no real willingness to attain the integration of our nations.

At the end of his three-day visit to Venezuela, the Jamaican prime minister said his talks with President Carlos Andres Perez were highly beneficial because there had been an opportunity to reaffirm policies to firmly fight drug trafficking, to identify coinciding views between Venezuela and Jamaica on important international conflicts, and to stress the need for greater trade, cultural, sports, and scientific cooperation and exchange.

Manley also emphasized the talks he held with the leaders of the main political parties and private business sectors. The Jamaican prime minister left this afternoon for Trinidad-Tobago, where the Caricom [Caribbean Common Market] will meet to discuss, among other topics, the effects of the Gulf war on all the Caribbean countries.

### Country's Goal: Largest Oil Supplier to U.S.

*PA2702060691 Madrid EFE in Spanish 0103 GMT 27 Feb 91*

[Text] Caracas, 26 Feb (EFE)—Venezuela is ready to again become the number one supplier of oil to the United States and replace Saudi Arabia in this regard, according to statements made today by Andres Sosa, president of Venezuelan Petroleum, Inc. (Pdvsa), which is the fourth largest oil company in the world.

The Pdvsa's entire strategy and expansion plans between 1991 and 1996 "point in that direction," he added.

The Pdvsa president said that "the United States has made the decision to seek alternate energy sources outside the Persian Gulf region and to stop imposing taxes on imported oil, which gives Venezuela the necessary guarantees to continue penetrating this market."

Sosa noted that in the 1970's Venezuela had adopted a policy of conservation with regard to its energy resources because it only had 18 billion barrels of proven reserves. However, he explained such reserves currently stand at 59 billion barrels and this situation "forces us to live our own reality."

He said the expansion of the oil industry is bolstered by other large quantities of reserves of heavy and extra-heavy crude oil, which is not a serious obstacle because "we have the technology to convert these crudes into products that are easily marketable."

Before the Gulf crisis, Venezuela sold some 800,000 barrels of crude per day to the United States. It later increased the figure to approximately 1.2 million barrels.

## Guyana

### IMF 'Figures Prominently' in Economic Plan

*FL2202033091 Bridgetown CANA in English 2104 GMT 21 Feb 91*

[Text] Georgetown, Guyana, Feb 21, CANA—The International Monetary Fund (IMF) figures prominently in the Guyana Government's plans for improving the economy after a dismal 1990 performance. The government is trying to get the Fund to continue a stand-by programme that should end in March.

With Guyana behind in targets set under the current IMF-backed economic programme, Finance Minister Carl Greenidge says Guyana would first have to get the Fund to waive the targets. "This would mean that Guyana could proceed with the stand-by programme which was due to end on March 31, 1991," he told the National Assembly (Parliament) Wednesday when he presented a 17.6 billion dollar (Guyanese) budget.

"As a consequence, Guyana would be in a position to receive by the end of March the second tranche disbursements which were originally due in December, 1990. The amount in question totals some 60 million U.S. dollars," he said.

The minister spoke against the backdrop of a worrying performance of the economy. But he projected economic growth in 1991. Greenidge said growth for 1990 was estimated at 3.1 per cent, but the economy slumped by 3.9 per cent instead.

Bauxite and gold mining, singled out for "special consideration," were expected to fuel the 3.1 per cent real growth, according to Greenidge. "In reality, bauxite production was very disappointing. The industry produced 15 per cent less than its target and generated 22 per cent less revenue than forecast. All products, except metal grade bauxite, experienced output levels below those of 1989," he reported. Only chemical grade bauxite production "vaguely approached" the actual levels in 1990 and the budgeted targets, Greenidge pointed out.

A bright spot was a 12 per cent increase in mining output which is attributable to gold and metal grade bauxite. Declared gold production last year was 129 per cent of the target.

Sugar output, at 129,920 tons, achieved only 76 per cent of the target and rgistered an all-time low. Changes in the foreign exchange markets and the considerable depreciation of the Guyana dollar helped the sugar industry, the finance minister said.

Rice production fell to a 14-year low. It was 40 per cent below its target and 34 per cent below 1989 levels. The 50,943 tonnes exported, although 10 per cent below the budget, were only 3 per cent below the export target. The livestock industry recorded a 30 per cent decline in total output.

The finance minister is projecting economic growth of 3.9 per cent this year. "The increase is premised on significant expansions on most fronts, namely rice, bauxite, gold, and manufacturing," he explained.

The government, he reported, is moving to project an improvement in the overall balance of payments this year to 155 million U.S. dollars. This reflects a 37 million dollar (U.S.) decrease in last year's level.

"Although the merchandise trade deficit is projected to deteriorate from 46 million dollars (U.S.) in 1990 to 71 million in 1991, the outturn is expected to result mostly from a revitalised private sector, which needs higher imports, including machinery, spare parts, and other essential inputs," Greenidge said.

Greenidge also reported plans to establish an export free zone. The government, with the help of the Inter-American Development Bank, will pass the relevant legislation, he said.

The government is also moving to soak up excess liquidity of commercial banks. "With effect from February 21, 1991, the level of liquid assets of commercial banks will be frozen at their end-July 1990 balances, instead of the end-September, 1989 balances," Greenidge said.

The bank rate charged by the Bank of Guyana to commercial banks on loans and advances has been increased from 30 to 32.5 per cent per annum. The prime rate has also been increased from 31 to 33.5 per cent. These increases are effective from February 28.

### PPP Leader Likens 1991 Budget to Scud Missile

*FL2502134691 Bridgetown CANA in English 1301 GMT 25 Feb 91*

[Text] Georgetown, Guyana, Feb 24, CANA—Guyana's main opposition People's Progressive Party (PPP) has likened the 1991 budget to a Scud missile, a weapon being used by Iraq in the Gulf war. A PPP statement at the same time attacked the economic management of President Desmond Hoyte.

The PPP boycotted last week's budget presentation by Finance Minister Carl Greenidge in which the government announced a 50-percent devaluation of the official exchange rate to bring it in line with the free market rate of 101.75 Guyana dollars to one U.S. dollar.

"Never in the history of this nation has there been such a disastrous economic deluge and deterioration in the quality of life," the PPP said, describing the Hoyte administration as "the greatest calamity for Guyana and the people."

Despite a 50 percent wage hike, the Marxist party said the devaluation will have the effect of making the minimum wage here less than U.S. 75 cents a day, noting this will be "about the lowest in Latin America and the Caribbean."

The steep increase in airport departure tax to $1,000 was criticised, as well as the decision to reintroduce fee payment for secondary and higher education and abolish free exercise books.

The PPP, led by veteran politician, Dr. Cheddi Jagan, said the promises and expectations of the budget will not be realised. "What Guyana needs is a new government and new course of development," it said.